

The NATIONAL UNDERWRITER

Life Insurance Edition



B-40

Annual Statement as of December 31, 1935

Our Resources:

CASH	(1.32%)	\$ 513,572.56
This is the amount of cash in banks available for immediate payment of claims or other cash demands.		
BONDS	(36.89%)	14,373,857.40
Government		\$ 1,291,592.00
Federal Land Bank and Joint Stock		1,261,739.00
State and Municipal		11,113,076.40
Railroads and Public Utilities		622,995.00
First Mortgage and Miscellaneous		84,455.00
MORTGAGE LOANS (24.97%)		9,732,305.95
First mortgages on improved properties for not more than 50% of the appraised value of any property:		
Farm properties		\$ 4,172,096.10
Urban properties		5,560,209.85
POLICY LOANS AND LIENS	(20.80%)	8,103,994.04
This amount loaned to policyholders on their policies.		
HOME OFFICE	(1.15%)	447,562.09
OTHER REAL ESTATE	(11.36%)	4,427,712.72
DUE AND ACCRUED INTEREST	(1.47%)	574,572.83
DUE AND DEFERRED PREMIUMS AND OTHER ASSETS ...	(2.04%)	795,241.20
Premiums in process of collection December 31, 1935		
TOTAL	(100.00%)	\$38,968,818.79
Paid to Beneficiaries and Policyholders in 1935		
		\$ 3,873,316.90

Our Liabilities:

NET RESERVE	\$ 33,517,381.00
The amount of the Legal Reserve required by law to assure that all policy obligations will be promptly and fully met.	
ADDITIONAL RESERVE	1,391,367.00
This amount is to guarantee special benefits incorporated in some policies.	
POLICY FUNDS	717,753.55
This amount has been left on deposit with the Company by policyholders.	
POLICY CLAIMS	133,037.75
This amount is for payment of policy claims incurred on which final papers had not been received by December 31, 1935.	
RESERVE FOR TAXES	162,000.00
INTEREST PAID IN ADVANCE	198,492.00
PREMIUMS PAID IN ADVANCE	130,427.46
DIVIDENDS TO POLICYHOLDERS	94,443.39
Dividends on participating policies payable to December 31, 1936.	
CURRENT ACCOUNTS AND OTHER LIABILITIES	65,833.26
BORROWED MONEY	NONE
CAPITAL	\$ 828,730.00
SPECIAL RESERVE FOR FLUCTUATION OF MORTGAGE AND REAL ESTATE ACCOUNTS AND OTHER CONTINGENCIES	729,353.38
UNASSIGNED SURPLUS	1,000,000.00
POLICYHOLDERS' EXCESS PROTECTION	2,558,083.38
TOTAL	\$ 38,968,818.79
Insurance in Force	\$175,381,845.00
(Paid for basis)	

GROWTH IN INSURANCE IN FORCE

December 31, 1925	\$ 60,079,280
December 31, 1930	85,120,791
December 31, 1935	175,381,845

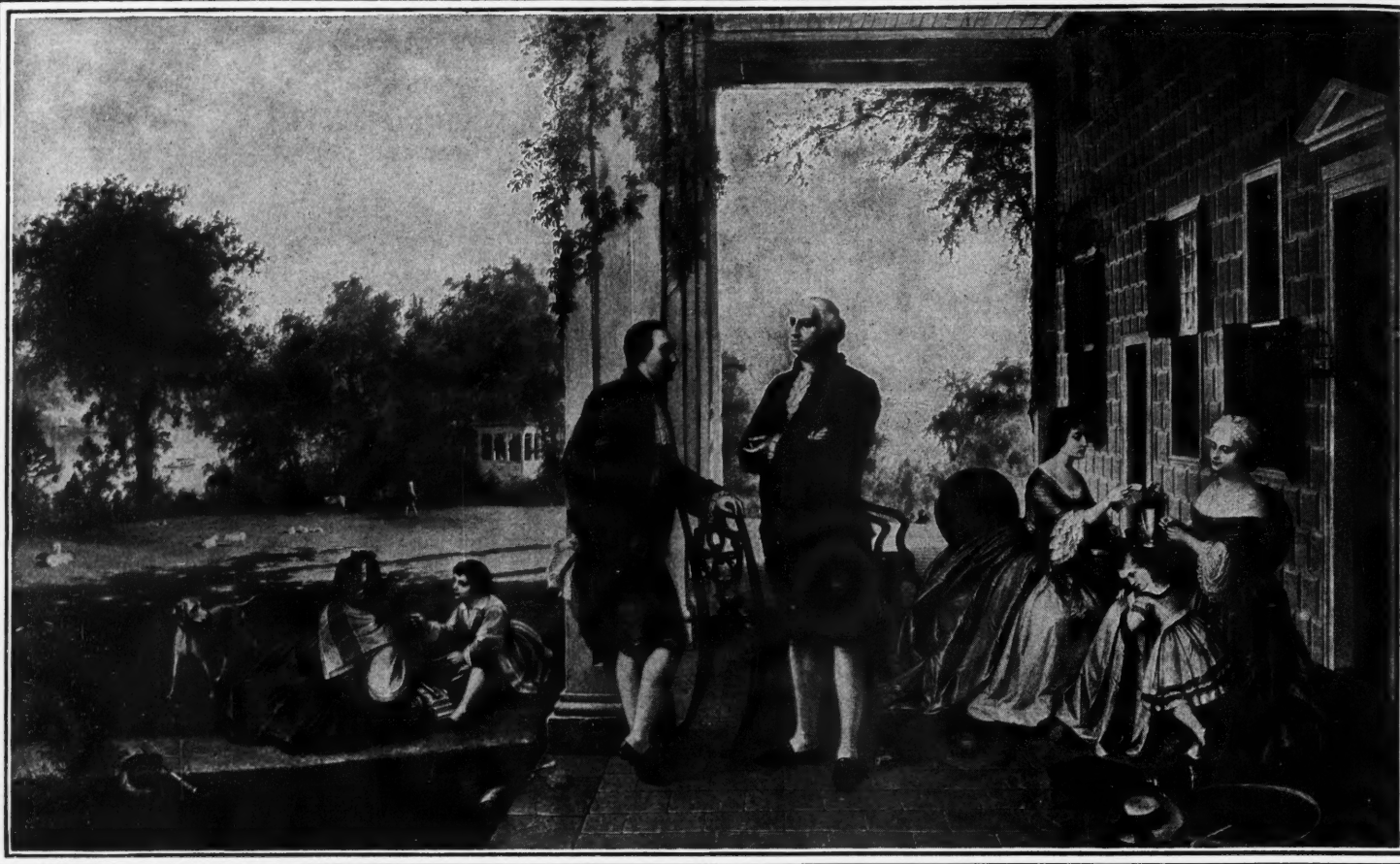
GROWTH IN ASSETS

December 31, 1925	\$ 6,869,480
December 31, 1930	13,890,812
December 31, 1935	38,968,818

The Ohio National Life Insurance Co.
Cincinnati, Ohio

T. W. Appleby, President

FRIDAY, FEBRUARY 21, 1936



Washington at Mount Vernon, 1784, with Lafayette, Martha Washington, her daughter-in-law, Mrs. Stuart, and her grandchildren, George Washington Parke Custis and Nellie Custis. Reproduced by New York Life Insurance Company through the courtesy of The Metropolitan Museum of Art, New York.

February 22, 1732

GEORGE WASHINGTON

December 14, 1799

ON the eve of his retirement in 1797, George Washington wrote to his friend, General Henry Knox:

"To the wearied traveller, who sees a resting-place, and is bending his body to lean thereon, I now compare myself . . . The prospect of retirement is most grateful to my soul . . . The remainder of my life will be occupied in rural amusements; and though I shall seclude myself as much as possible from the noisy and bustling crowd, none would, more than myself, be regaled by the company of those I esteem."

You, too, will have plans for your retirement. Like Washington, you may

prefer the quiet of the country . . . or you may want to travel at home or abroad . . . or fish north in the summer, south in winter . . . or play golf whenever you like. You will have time for whatever you want to do, when you retire. Will you also have the money?

There is a way of making sure of it. A New York Life Annuity Endowment guarantees you a retirement income that will last as long as you live. If you should die before your annuity begins, your family would have insurance protection.

Ask a New York Life representative to tell you about it . . . or write for our booklet "Retire with a Life Income."

To our Policy-holders and the Public:

During the difficult years since 1929, New York Life paid well over one billion dollars to policy-holders, beneficiaries and annuitants. These payments to the members of this mutual company and beneficiaries undoubtedly helped to mitigate the severity of the depression for many families, businesses and individuals. At no time during this entire period did the Company find it necessary to raise money by borrowing or selling securities as its current cash income was more than sufficient to meet its obligations.

Thomas A. Buckner
President

SAFETY IS ALWAYS THE FIRST CONSIDERATION . . . NOTHING ELSE IS SO IMPORTANT

NEW YORK LIFE INSURANCE COMPANY

A MUTUAL COMPANY



New York Life Emblem Since 1859

FOUNDED IN 1845

THOMAS A. BUCKNER, President

51 MADISON AVE., NEW YORK, N. Y.

The National Underwriter

LIFE INSURANCE EDITION
A WEEKLY NEWSPAPER OF LIFE INSURANCE

Fortieth Year—No. 8

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, FEBRUARY 21, 1936

\$3.00 Per Year, 15 Cents a Copy

Large Turnout at Philadelphia Rally

Noted Speakers on Program at Annual Sales Congress of Association

ATTENDANCE ABOUT 1,200

Star Managers and Agents Give Valuable Tips on Selling Policies Today

PHILADELPHIA, Feb. 20.—Some 1,200 men and women jammed every inch of the meeting place for the second annual mid-winter luncheon and sales congress of the Philadelphia Association of Life Underwriters.

They heard Paul Speicher, managing editor of R&R, declare that while civilization today was on the march "as never before" and that "we have come a long way from the accepted normalcy of 15 and 20 years ago," life insurance still remains as the sole way—the safest and best way of reaching one's financial objective.

They listened to Lynn S. Broadus, Chicago manager of the Acacia Mutual Life, as he asserted that "agents rarely fail from lack of sales ability" in repeating his Des Moines address on the "Balanced Life Underwriter."

Highlight of Congress Was Harry Philips

Highlight was the talk of Harry Philips, Jr., of the Ralph Engelman agency of the Penn Mutual Life in New York. Mr. Philips, who paid for over \$1,000,000 in his first year in the business, and who in the past five years has averaged more than \$1,500,000 in personal production, showed how simply an agent could pay for \$500,000 a year by means of careful planning.

The keynote of optimism was sounded early by Alex V. Tisdale, Connecticut Mutual Life and president of the Philadelphia association. He asserted that life insurance today has before it the greatest business in its history following the five years in which it had successfully weathered the depression.

"The public knows," he said, "that life insurance is the best investment for social security."

Mr. Philips divided his talk on planned selling into two parts—planning objectives for 1936 as business men and (2) actual planning of sales.

"We can't do a real job unless we are organized," he declared, going on to cite textile manufacturers as examples. "They work from six to eight months ahead, constantly planning and preparing, and this is true in every line of business. Likewise in life insurance."

He then proceeded to give his own plan of operation.

"The first thing to do," he said, "is to sit down in your office and write on

(CONTINUED ON PAGE 12)

Gives Report on the Status of the Illinois Life Fund

FIGURES AT CLOSE OF YEAR

Central Life of Iowa Makes An Excellent Showing in Handling This Business

The Central Life of Des Moines has issued its annual statement, one of the chief features being a separate exhibit of the Illinois Life fund, it having taken over that business. The Illinois Life fund assets are \$10,609,483. Of this amount 26.3 is farm loans, 1.1 city loans, 27.5 real estate, 14.7 policy loans, 14.7 stocks and bonds, 6.9 federal obligations, 4.2 cash in banks. Its contingency reserve is \$224,757 and its net surplus is \$617,397.

Analysis of Mortgage Loans

During the year \$1,106,126 was paid to beneficiaries. Its farm loans decreased \$666,785. Those in good standing are now 189 and amount to \$686,648. Its delinquent loans are 234, amounting to \$918,645. There are 297 pending foreclosures valued at \$1,186,765. The unfavorable showing on farm loans, the Central Life states, is due to the fact that farm investments of the Illinois Life were largely centered in central and southwestern Kansas, northwestern Oklahoma, southern Illinois and southeastern Missouri, where crop and price conditions have been unfavorable.

There was a reduction of \$371,221 in city loans. There was transferred to real estate by foreclosure \$304,252, of which \$300,000 was the book value of 72 percent of the ground underlying the Hotel LaSalle in Chicago. The city loans in good standing are 13, amounting to \$56,950. There are five loans delinquent and four in foreclosure. The Madison LaSalle Hotel Company has taken over the ground underlying the hotel.

Stocks and Bonds Item

Stocks and bonds are \$1,557,755 as compared with \$333,271 last year. This increase is due to the purchase of \$75,000 of Iowa primary road bonds, the acquisition of the preferred and common stock of the Madison LaSalle Hotel Company and the increase in market value of various other stocks and bonds, the principal item being the Continental Illinois Bank & Trust Co. stock, of which the Illinois Life fund holds 5,133 shares.

Moratorium Is Lifted

Its cash and government obligations increased from \$347,271 to \$1,174,538, which placed the Illinois Life fund in a position of such liquidity that it was felt proper to apply to the court for leave to lift the moratorium imposed under the contract on loan and surrender values which provided that net equities as of Nov. 28, 1932, were not to be available for loans or surrenders until Dec. 31, 1938. The petition was granted and loans and surrenders are now available.

The assets of the Illinois fund were written down \$100,000 which represents a decrease in the book value of the Illinois Life building in Chicago. During the year the Illinois Life fund acquired title to all the stock of the Hotel LaSalle Garage Company which is carried at

(CONTINUED ON PAGE 22)

J. W. Hughes Elected Head of Guarantee Mutual Life

BUFFINGTON NOW CHAIRMAN

Founder and Former President Gives Up Active Connection—Langdon, Vice-president—Hunter, Secretary

John W. Hughes was elected president of the Guarantee Mutual Life at a meeting of the directors, following the annual meeting of policyholders.

J. C. Buffington, who organized the company in 1901 and who has served as its president since 1912, was elected chairman of the board. Mr. Buffington will make his future residence in California. For the past year or two Mr. Buffington has not been active in the affairs of the company. He sold his home in Omaha and bought a place in California. Mr. Hughes has been the actual managing director for the past year or so.

With Company 24 Years

Mr. Hughes has been vice-president since 1921. He joined Guarantee Mutual as treasurer in 1912, having previously been in the banking business. He was promoted to secretary and elected to the board of directors in 1913.

He is widely known in middle west circles for his golfing feats, belonging to a number of local clubs and conceded to be the best business-man golfer in Omaha. He is a member of the executive committee of the chamber of commerce insurance division.

Langdon Now Vice-President

R. E. Langdon, who has been secretary since 1921, was elected vice-president, succeeding Mr. Hughes. A. D. Hunter, assistant-secretary who has been in charge of underwriting, was named secretary.

C. R. Connolly, who has been advertising manager for a number of years, was named assistant secretary. He will continue his present duties along with his title of advertising manager.

Mr. Langdon began with the company in 1910 in charge of the policy department. Mr. Hunter started as a stenographer in 1911.

Californian Dies Pauper Believing Policy Lapsed

A penniless old man died in the San Francisco county hospital recently. Five days later Dr. J. L. Hardin of Sacramento, Cal., contacted the San Francisco health department for information on the death of his brother, Robert M. Hardin. It was then revealed that the deceased was his brother, who had lost his fortune and business several years previously. Dr. Hardin had been paying the premiums on \$110,000 of life insurance of which he was beneficiary. The dead brother was under the impression the insurance had lapsed years ago.

Review Tax Load Insurance Bears

Special Levies on the Business in 1934 Reached \$81,208,674 Aggregate

FIGURES OF U. S. CHAMBER

Only 5.39% of Indirect Levy Upon Policyholders Was Used for Service to Assured

The United States Chamber of Commerce has issued its annual bulletin, analyzing the insurance tax situation and reiterating its objection to special taxes on insurance premiums on the ground that such taxes are an indirect levy on the portions of income that people set aside to assure their families or themselves against contingencies.

The year reviewed is 1934. There was a slight decrease in the special state insurance taxes, licenses and fees collected in 1934 as compared with the previous year, but the chamber points out that this was due to a decline in the total premiums rather than to any reductions in the tax rate. The 1934 total is \$81,208,674. Of that amount \$35,451,562 was collected by the state insurance departments while \$45,757,112 was collected by the state treasurers or other officials.

Little Spent for Policyholders

The expenses of the insurance departments amounted to \$4,381,687 and from this the chamber concludes that the ratio of the special tax money spent for service to policyholders was only 5.39 percent. This compares with 5.05 percent the previous year.

There are more than 180,000 political units in the United States that are supported by taxation. With many of these units taxing insurance in one form or another, the chamber points out that the cost of the clerical, administrative and other overhead expenses in meeting all the official requirements is a burden that policyholders do not realize they are carrying. About 90 percent of the total of the special state insurance taxes comes from the premium tax, according to the chamber. The point is made that the tax is not affected by the relationship between gross income and gross disbursements. Even though loss payments together with other disbursements exceeded total income, the tax would continue unabated.

Other Taxes Are Paid

In addition to the premium tax, there are license fees to be paid by companies as well as by agents, brokers and adjusters, publication fees, expenses of examination or audits, fees imposed by states for filing annual statements and other papers, state fire marshal tax and special state and municipal levies to aid in providing for support of fire de-

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Optimism Growing Among Financial Officers, A. L. C. Section Meeting Indicates

By Dale R. Schilling

Dawn of something more than merely hope that the troublous investment conditions would change for the better was everywhere evident at the Chicago mid-winter meeting of the Financial Section of the American Life Convention. The speakers, while frankly confessing that it is difficult to steer through the shoals and reefs of the investment sea today, still showed the highly intelligent way in which the course of the ship of life insurance is being charted. All were optimistic that the natural buoyancy of American citizens would carry the country back to prosperity before long.

A word of cheer was given by Chairman Eugene M. Stevens of the Federal Reserve Bank, Chicago, who as a semi-public official had to be guarded in his utterances but nevertheless, basing his belief on elaborate charts prepared by economists, predicted that the interest rate curve would turn upwards before long. The whole theme of interest rates ran through the meeting, for it is recognized life companies cannot operate without a safe yield on policyholders' funds and officials have been much concerned over the long duration of low rates.

Vigorous Action Against Encroachment Is Urged

One of the highlights of the meeting was the vigorous stand taken by O. J. Lacy, president California-Western States Life, for a "frank but aggressive course" of the A. L. C. to protect interests of policyholders. The life companies should have their dealings open and above-board and not take part in an "undercover, bribing lobby." He noted that the government is offering bonds with a yield so low that they would not even be eligible for investment permissible under the social security act.

It is high time to take an aggressive interest against all encroachments on the security of life insurance, he said. The tendency of government today is toward unhealthy competition with private business. Mr. Lacy in the afternoon while presiding as chairman of the investment and investment law committee took a vigorous stand in opposition to enactment of any tax measures by legislatures which do not take into account actual earnings of the companies. Otherwise, he said, such premium taxes will be nothing more than gross sales taxes which the companies scarcely could bear.

Investment Purchases of Companies Program Theme

Mr. Lacy led off the morning program, speaking on "Investment Purchases of Our Company Today and in the Future." He noted a yield on new money around 3.61 percent and a strong tendency of life companies today to eliminate railroad securities from any important place in the picture.

Interesting comment on results in the urban mortgage field was made by E. A. Camp, Jr., treasurer Liberty National Life, Birmingham. He said the violent fluctuation in status of securities resulting from economic planning and other factors, made readjustment of the companies' investment policies a difficult problem. Artificial monetary policies of the government decreased interest rate. His company turned to high grade urban (triple A) mortgages on which results were fairly satisfactory but the supply not regular, it being reduced by operations of various government lending agencies.

There is a trend away from the straight mortgage, he said. A mort-

gage should have some definite amortization provision, as this permits a mortgagor to accumulate equities that preclude trouble.

In the discussion a speaker stated that his company invested chiefly in municipal securities, with a yield about 4.4 percent. Some companies are buying corporate bonds above call price; others are buying preferred stocks and many are purchasing municipals.

Another speaker noted his company's yield on new money was 3.84. New city mortgage loans are being made by many companies, a showing of hands indicating approximately three-fourths carry monthly amortization plans. Only a few companies are buying the Federal Housing Administration bonds and then only with limitations.

Home Loan Bank Facilities Not Used by Companies

Few advantages for life companies in membership in the Federal Home Loan Bank system were found by Norman H. Nelson, manager investment department Minnesota Mutual Life, who talked on this subject. It appears life companies feel that participation would result in federal agencies using the money secured from the life companies to put out through lending

agencies in competition with life insurance, and the companies therefore may be among the last to take advantage of the facilities.

However, in time of depression there are definite advantages to the life companies which could use this bank system to convert unwieldy, long term loans into securities having a ready market. This system also would strengthen the mortgage market country-wide, Mr. Nelson said. So far the life companies have not found outside aid necessary, yet the plan may be counted on in future even though it is not needed now. He noted that the federal mortgage bank bill in Congress would be inimical to trusted institutional lenders, since it would permit mortgage brokers to sell mortgages direct to the Federal Home Loan Bank and would affect the interest rates.

Relinquishment of Lending by Government Is Sought

Another speaker in the discussion declared the sooner the federal agencies get out of the lending business the better conditions will be. He said it was time for private investors to have their show. The federal land banks have done a world of good, but have been extreme and rigid competition. Life

companies cannot remain in competition with the government to advantage. The federal home loan bank system in time of crises such as in 1932-1933 would serve as an outlet to get funds quicker and perhaps better than in any other way, he said.

Other speakers generally could see no benefit in the plan under ordinary conditions. One noted that failure of the companies to participate in the plan may have been one reason for introduction of the Fletcher bill in Congress for a "Central Mortgage Bank."

SECURITY SERVICE

After knocking around in the Financial Section of the American Life Convention for over two years and being rejected on one occasion by formal vote, a proposal to form an "Exchange of Corporate Information" to serve as a safeguard for life companies' investments, was launched at the Chicago meeting. Upon resolution phrased by Russell Byers, vice-president American Central, the executive committee was urged to inaugurate the service of collecting facts concerning securities and disseminating them among members.

Information will be secured largely from member companies and relating not only to corporate but also municipal authorities. There is a possibility if the plan works out successfully it might be extended to include real estate.

Usefulness for Smaller Companies

There was consensus that the project would be especially useful to companies not located in the larger centers, although it will not be so useful to the companies in big cities, as they have available a great variety of elaborate security reporting services.

The field of municipals does not appear to be so thoroughly covered although a service in this line recently was brought out.

The major benefit of the plan is that much of the data to be collected will be of a type not to be found in security reports. The resolution stipulated that the facts to be collected do not include advice and counsel, nor confidential comments, reports, rumors, etc., but unfavorable developments relating

(CONTINUED ON PAGE 22)

Brevities of Sessions in Chicago of Financial Men

The program this year was handled by Chairman Harry V. Wade on schedule although there were many papers and discussions. The program was arranged like a Northern Pacific time table. A silent "stop-go" signal of a yellow and red light warned the speakers and shut them off. In the afternoon the session was resumed in the luncheon room where the signal had not been installed. Mr. Wade on one occasion lighted a candle to signify the speaker's time was closing.

There were four officials scheduled on the program who were unable to attend, three due to illness. L. J. Dougherty, president Guaranty Life of Davenport, who was to discuss advantages and disadvantages of life insurance company membership in federal home loan bank systems, is recovering from a cold at Excelsior Springs, Mo. Russell Byers, vice-president American Central, who was on the program to lead discussion on "Shall We Establish a Bond Service Division?" was recovering from influenza.

(CONTINUED ON LAST PAGE)

Status of Securities Is the All Absorbing Topic

Effect of TVA Ruling by U. S. Supreme Court Viewed by Tennessee Man

Rendering of the Tennessee Valley Authority's decision by the United States Supreme Court came as an added unexpected and thrilling program feature of the A. L. C. Financial Section meeting in Chicago. The ruling was announced by Chairman Wade shortly after the afternoon session started and while Douglas Henry, assistant counsel National Life & Accident, Nashville, Tenn., was leading the discussion on "What We Are Doing with Our Utilities."

At the request of Chairman Wade, Mr. Henry made comment as a close observer of the possible effects of the long anticipated ruling on an important New Deal activity. The opinion was that the decision would not destroy the value of public utility bonds. He said the TVA had not gone far in the sale of power in competition with private utilities. He also saw hope in the statement frequently made by the TVA in press releases that it had "respect for prudent investments."

Private Utilities Active

Company financial men were greatly concerned over implications of the decision because of the companies' large holdings of public utilities. Mr. Henry noted that the present government competition in that field in Tennessee had stimulated private utilities to intensive sales effort and cultivation of the territory, with the offering of promotional rates and increased sale of electrical appliances. This, he felt, might serve to offset the advantages offered by low

(CONTINUED ON PAGE 24)

Federal Reserve Bank Chairman Sees Interest Trend Upward Before Long

Improvement in interest rates will certainly come, perhaps sooner than is expected, Eugene M. Stevens, chairman Federal Reserve Bank, Chicago, a banker and investment man of many years' experience, told the Financial Section of the A. L. C. in a fine talk on "The Future of Interest Rates."

"It is difficult to see how the abnormally low interest rates of the present can prevail indefinitely," he said. "With removal of uncertainties I feel that there will be substantial improvement. It is an inherent American trait to go forward when we can see a chance for a profit."

Gives Results of Survey

The Federal Reserve Bank has made an elaborate study of interest rates in relation to many other factors. Mr. Stevens showed a number of charts prepared by the bank's economists, covering periods back to 1870, and all showing how closely the interest rates follow other related factors, except in the abnormally low rate period of the last year or so.

The striking variation of the present reflects, he said, the entrance of the government into financing private enterprise and the New Deal economic planning. This has created an unusual condition in the money market so that the present period cannot be compared to that when there is a normal call for only normal government purposes.

In normal times the country was doing about \$4,000,000,000 annually in new corporation financing, whereas in 1934 this had shrunk to only approxi-

(CONTINUED ON PAGE 24)

Present Detroit Life Plan in Federal Court Hearing

NEW COMPANY INCORPORATED

Proposal Would Pay Full Death
Claims in 10 Years; Service
Life Enters Arena

DETROIT, Feb. 20.—A plan for taking over the \$30,000,000 of business on the books of the Detroit Life by the newly organized Detroit National Life, which has just been incorporated for \$300,000, has been approved by W. S. Sayres, Jr., standing master in chancery of the federal court here. The plan was also approved by Federal Judge Sayres who reported that in his opinion this plan offered greater protection for the policyholders. The approved plan assumes that assets of the company are 40 percent sound.

Henry Monsky of Omaha, attorney for the Service Life, which also had a plan to submit, sought a week's delay in which to prepare an actuarial report on the comparative merits of the two plans but was denied this request, the judge stating that he is not interested in proposals but only in the recommendations of the master in chancery. E. H. Frye, attorney for C. A. Owen, Detroit capitalist, was also denied time to offer another plan.

The plan offered by the Detroit National Life contemplates authorizing John A. Reynolds, receiver for the carrier, to enter into a contract with the new organization for management of the company. Administration of the assets of the company would continue in Mr. Reynolds' hands for 15 years. Theodore Levin, attorney for the new company, denied, however, reports that Mr. Reynolds is one of its incorporators. Assets show an impairment of from 50 percent to 60 percent in recent appraisals and the reserve securing 22,800 policyholders has depreciated approximately \$4,000,000, it was testified.

Death Claims to Be Paid

Notwithstanding these losses, it is proposed to pay death claims in full during the next 10 years, at the same time rehabilitating the reserve to the fullest extent. If there remains an inadequacy of reserve after 1945, the amount of the deficiency would be deducted from the face of the policy in settlements from 1945 to 1950. Outstanding insurance of the company at the end of the 15 years would be transferred to the new company.

Through rescue expeditions to the Detroit Life and affiliated companies, the Reconstruction Finance Corporation has become the principal owner, holding well in excess of 90 percent of the stock.

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Life Presidents Reports Big January Sales Drop

The new year started off in discouraging fashion so far as life insurance production is concerned, according to the estimates of January sales released by the Life Presidents Association. There was a decrease of 17.4 percent in sales during January as compared with the same month a year ago. Ordinary insurance had the biggest drop, with sales of \$447,181,000 in January of this year as compared with \$601,300,000 in January a year ago. That was a decline of 25.6 percent. Industrial insurance was only 1.5 percent below January, 1935. The production in January this year was \$193,344,000, whereas in January a year ago it was \$196,255,000.

Group insurance made a 49.9 percent gain, the sales in January of this year being \$40,891,000 and in January, 1935, \$27,348,000.

Northwestern Mutual Group in Home Office Conference

EXECUTIVES ARE ON PROGRAM

Major Problems Taken Up By General
Agents Association at Mid-
Winter Gathering

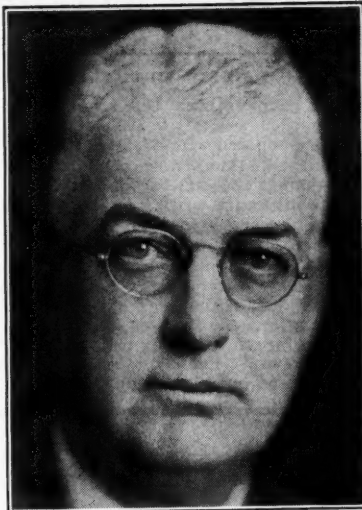
MILWAUKEE, Feb. 20.—Members of the General Agents Association of the Northwestern Mutual Life gathered at the home office here for a mid-winter conference. Grant L. Hill, director of agencies, was chairman of the home office section occupying the first three days of the conference, and L. E. Allen, Atlanta, president of the association, spoke at the opening session and was chairman of the general agents section.

Program Informal

The program was an informal one and the sessions were closed to permit intimate discussions of complete reports of company executives to the general agents of major problems. Among the speakers were Frederick Walker and Howard Thomas, vice-presidents; Percy Evans, vice-president and actuary; Edmund Fitzgerald, vice-president; G. L. Anderson, secretary; J. W. Fisher, medical director; Joseph Gallagher, superintendent of claims; S. T. Swanson, general counsel; Grant L. Hill, director of agencies; J. J. Hughes, R. P. Thierbach, Nelson Phelps, Lawrence Evans and Wm. Ray Chapman, assistant directors of agencies.

The agents held a question session and group conference on the subjects of induction into production, sales promotion and advertising, and general agency costs. President M. J. Cleary addressed the general agents at a dinner with company officers, at which C. C. Klocksin, legislative counsel, was toastmaster.

New President of the Guarantee Mutual Life



JOHN W. HUGHES

John W. Hughes, the new president of the Guarantee Mutual Life of Omaha, has been connected with the company since 1912. He was the logical choice for the position when J. C. Buffington desired to give up active connection with the company and retire to California.

Ebert Buffalo General Agent

A. F. Ebert has been appointed general agent for the Security Mutual Life of Binghamton in Buffalo. He was a steady producer in the office of the Buffalo Mutual in that city. After March 15, the Security Mutual headquarters in Buffalo will be at 703-705 Genesee building.

A DAY OF DAYS

February 29, 1936

Old Father Time once in four years flings at us an additional day. We can catch it with both hands, and change the Leap Year jest to a challenge, or, unmindful, we can let it pass.

These additional precious hours and hours can perhaps assure our "making" our Agency's Leaders' list, or our Company's honor roll, or our Convention quota,—with increase to our 1936 compensation, and our renewal income pegged up a notch.

A Day of Days and of service and reward?—or just another useless Leap Year freak of February's calendar?

THE PENN MUTUAL LIFE INSURANCE Co.

Independence Square

Philadelphia

Insurance People to Meet With D. of C. Board Feb. 24

TO REVIEW STATUS OF AGENTS

Unemployment Compensation Board
Agrees to Consider Question But
Holds to Original Opinion

WASHINGTON, Feb. 20.—Protests of the casualty and fire companies against classification of agents as employees under the District of Columbia unemployment insurance act may be the basis of a test case to determine the constitutionality of the law.

Joining with the life companies in contesting a ruling of the compensation insurance board, placing all insurance agents in the category of employees, the casualty and fire people have forced a consideration of the whole question. It is said about 4,000 insurance agents are working in the district.

As a result of the companies' determination to make a test of the act, the board has agreed to consider the question at a meeting Feb. 24, although holding firm to its original ruling that agents are employees.

General agents, who conferred with board members in the effort to have agents omitted from the list of employees, contended that the latter are general contractors, operating independently and often serving two or more companies at the same time.

The attitude of the fire and casualty companies will be presented by Thomas Watters, Jr., at the Feb. 24 hearing.

Decision is expected shortly from the District of Columbia unemployment compensation board as to whether agents of the Mutual Life of New York and Massachusetts Mutual Life are employees under the meaning of the district's unemployment compensation act.

Request for rulings on these two companies was made by the Life Presidents' Association, as they were felt to be typical enough in their agency arrangements to furnish the best guide to the board's probable decision in other cases.

Representatives of fire and casualty companies will meet with the District board Feb. 24, but the life companies will not be represented, since the next move must come from the board in the form of a decision on the Mutual Life and the Massachusetts Mutual.

Benton Made Vice-President

Jay L. Benton, formerly attorney-general of Massachusetts, has been made vice-president of the Boston Mutual Life. He has been on the board of directors for several years. He will now establish his office at the home office.

Union Central Convention

The sixth annual Union Central \$500,000 club convention at Miami was unofficially opened by a traditional tea given by Mrs. W. Lytle Cox, mother of President W. H. Cox. W. B. Monroe, New Orleans, is president of the club. Home office officials attending included Mr. Cox, J. W. Pattison, chairman of the board; J. R. Clark, Jr., chairman executive committee; Jerome Clark, vice-president; R. S. Rust, secretary; W. F. Hanselman, superintendent of agencies; Dr. William Muhlbarg, vice-president and medical director; J. C. Benson, H. N. Hamilton and H. E. Sinclair, assistant superintendents of agencies. There were 43 qualifying for the club, the Knight agency, New York, winning the largest delegation trophy for the fifth time with 11 members.

Life Notes

The Claude Fisher agency, Des Moines, for the Connecticut Mutual Life met to hear Edwin H. Norene, company sales executive.

Jens Smith of Los Angeles, assistant superintendent of agents of the Pacific Mutual Life, is on a trip through the central west.

Central States Life Names Walter M. Crunden as Head

OTHER OFFICERS ARE CHOSEN

New President Is Prominent St. Louis
Manufacturer and Son of Former
President of Company

ST. LOUIS, MO., Feb. 20.—Walter M. Crunden, 48, prominent local manufacturer, was unanimously elected president of the Central States Life to succeed George Graham. Other officers elected are: A. L. McCormack and J. DeWitt Mills, vice-presidents; G. P. Henderson, secretary and treasurer; Cobbs & Logan, general counsel; C. R. Goodrich, actuary; G. C. Hermeling, as-

(CONTINUED ON PAGE 11)

Annual Statement Figures Show Marked Progress Made

PACIFIC MUTUAL

The Pacific Mutual Life reports a gain in admitted assets for 1935 of \$10,350,075 as compared with \$7,004,001 for 1934.

Admitted assets now total \$215,561,220 against \$205,211,144 in 1934.

Life insurance written totaled \$58,092,807 in 1935 and \$54,965,707 in 1934. Policyholders were paid \$23,722,415 in 1935 and \$25,918,721 in 1934. The grand total paid to policyholders since organization is \$337,388,695. Total life insurance in force is \$636,858,407.

Cash income for 1935 was \$44,986,730 and \$45,489,687 in 1934. Capital surplus, assigned and unassigned and reserves for

contingencies, is \$11,634,459, of which \$4,000,000 constitutes the reserve for contingencies.

The average rate of interest earned was 4.89 percent which, while lower than in previous years, according to President A. N. Kemp, was good considering business conditions.

NORTH AMERICAN REASSURANCE

The North American Reassurance of New York, in its annual statement, reports assets of \$14,827,539, policy reserves of \$12,102,515, capital \$1,000,000 and net surplus \$1,164,253. Life reinsurance in force amounts to \$129,698,900. The North American Reassurance is the only company in the country engaged exclusively in the life reinsurance business. It is controlled by the powerful Swiss Reinsurance interests. The president is Lawrence M. Cathles.

FRANKLIN LIFE

The Franklin Life of Springfield, Ill., shows assets \$32,060,562, of which \$1,048,014 is cash, \$5,114,927 bonds, there being \$1,755,924 federal, \$742,835 state, \$1,328,772 municipal. Its policyholders surplus is \$1,217,979. Its excess of income is \$853,542. Its insurance in force is \$170,699,993. It has paid policyholders since organization \$62,464,152. The Franklin Life has been in business 52 years. Its farm mortgage loans are \$6,974,836 and city mortgages \$4,080,333. Its policy loans are \$7,244,381, its real estate including home office \$5,647,035.

STATE MUTUAL LIFE

The State Mutual Life last year reported new business \$36,465,410, gain 10.94. Out of 49 general agencies, all but 13 showed an increase. There were 11,935 policies paid for against 11,214 the previous year. Of the amount of insurance, 71.16 was life, 16.93 endowment and 11.91 term. The average amount per policy was \$3,055 as compared with \$2,931 the year before. There were 291 single premium annuities purchased for \$1,627,933, calling for an average annual payment of \$427. There were 864 retirement annuity contracts issued involving annual premiums of \$209,570. At the end of the year the State Mutual had on its books 2,819 annuity contracts. Of these, 1,121 are single premium.

Other Features of Interest

The life insurance in force was \$567,338,718 with 166,246 policies. The total receipts were \$29,503,519, increase \$1,305,190, disbursements \$24,405,126, excess receipts \$5,098,392. The new premiums were \$1,511,821 against \$1,213,464, gain 24.59. On its surrenders and lapses there was a decrease of 17.51 in disbursements. Of the total new investments last year \$15,784,819 there was placed in mortgage loans, \$1,673,813, federal bonds \$5,131,894, Canadian bonds \$467,271, municipals \$1,382,436, railroad \$1,490,275, public utility \$4,682,935. Of the bonds in default the sum total is less than one-half of 1 percent of the entire assets. Of the \$9,353,496 in federal bonds, 89 percent are short term and mature in 1941 or before. Its mortgages are in substantial cities on centrally located properties. During the last six months there has been an increase in income from foreclosed real estate.

Mortality Experience

The assets are \$161,064,580, increase \$5,696,593. The surplus is \$10,070,059. The dividend basis is the same this year as last. Its mortality ratio was 56.04 as compared with 59.82. A study of the mortality experience of the company shows that more people die in

(CONTINUED ON PAGE 25)

Tendency for Men to Get Back to Former Activity

SEEN IN THE AGENCY FIELD

New Salesmen Coming From Other
Lines Return to Their Old
Love Frequently

NEW YORK, Feb. 20.—The difficulty of recruiting good men as agents is being intensified by another manifestation that is the natural result of improving business conditions generally. This is the tendency of men who have come into life insurance selling from other fields to go back to their former activities when attractive offers are made to them.

One general agent has lost three men in a single month by this means. One got an offer of \$350 a month and commissions from his old firm. Another was offered \$100 a week; another was offered \$75 a week and commissions. This agency head has found that unless a man has been in the life insurance business at least three years he is not so firmly anchored but what a good offer from his old line of work may be sufficient to lure him back to it. Unluckily, this works to the disadvantage of the agency recruiting quality men who have made a success in other fields and are doing well in life insurance but are not yet making enough to see the advantage of remaining in it in the face of an offer that promises a larger immediate return.

New York Bills

ALBANY, Feb. 20.—The New York department is sponsoring a bill requiring the licensing of agents of either life or casualty companies on the cooperative, assessment or fraternal plan. The bill is similar to one sponsored last year.

The insurance department claims that in many instances when a life agent for an old line company loses his license he takes up the business of soliciting for a company on the cooperative or assessment plan and thus thwarts the intent of the law. The department also feels that inasmuch as these agents work on a commission basis in competition with licensed agents they should be placed on an equal footing as to qualifications and licensing.

A bill has been introduced in the New York assembly which would impose a tax of 15 percent on premiums of unauthorized foreign insurers written within the state, marine corporations being exempt. Another assembly bill would impose an additional tax of 1 percent on gross fire premium receipts after certain deductions on both foreign and domestic companies. The taxes would be for the benefits of firemen in incorporated localities other than New York City.

Florida Paper Starts

The Florida Insurance Journal has been started at Miami, Fla., with H. E. Prettyman as editor. The paper is devoted wholly to the insurance interests of Florida, is published monthly at \$5 per year. The first issue makes a creditable appearance.

General Agent 25 Years

George L. Dyer has completed his 25th year as general agent in St. Louis for the Columbian National Life. For 18 years he was one of the leaders of its National Star Producers Club and was its first president. In 1917 he served as secretary of the National Association of Life Underwriters and was chairman of the members conference of the St. Louis chamber of commerce in 1921. He is a director of the St. Louis Council Boy Scouts of America; the St. Louis Publicity and Convention Bureau; the Laymen's Retreat League and the Catholic Club of St. Louis.



Make Them "Your Boys"

What satisfaction a Life Insurance salesman would feel if he knew that his effort had been instrumental in educating even one young American.

By carrying the message of Prudential Endowments for Education Purposes to the fathers you know you can help to secure the futures of children, who soon will be young men.

Then, in a large sense, they will be "your boys," too.

It's worth the Effort!



**The Prudential
Insurance Company of America**

EDWARD D. DUFFIELD, President

Home Office

Newark, New Jersey

73rd ANNUAL STATEMENT

JOHN HANCOCK MUTUAL LIFE INSURANCE CO. OF BOSTON, MASSACHUSETTS

BUSINESS OF 1935

Income Received	\$180,365,913.61
New Insurance Paid-for	553,691,004.00
Payments to Policyholders and Beneficiaries	87,736,087.35
Increase of Assets	47,435,148.90
Increase of Outstanding Insurance	119,181,333.00
Increase of Surplus Resources	3,171,571.33

STANDING AS OF DECEMBER 31, 1935

Outstanding Insurance	\$3,593,148,522.00
Admitted Assets	731,500,916.33
Liabilities (or assets definitely pledged in contractual obligations)	666,513,100.30

Including: The legal reserve on policies in force \$608,621,566.00

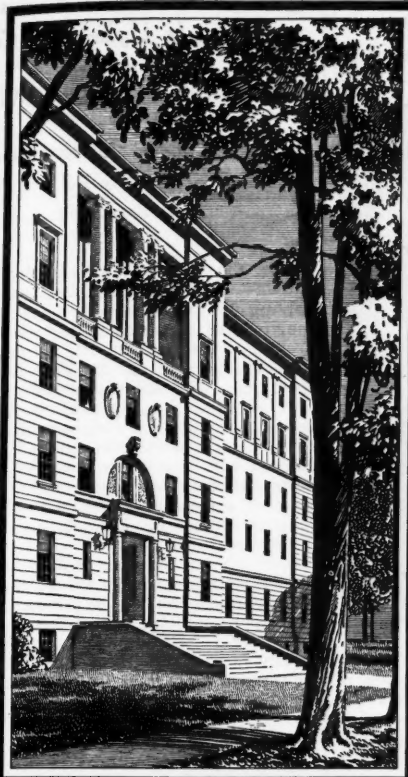
Dividends to Policyholders Payable in 1936 15,974,706.37

Contingency Reserve Held for Asset Fluctuation	18,000,000.00
General Surplus	46,987,816.03
TOTAL SURPLUS RESOURCES	64,987,816.03

Over a Billion Dollars Paid to Policyholders and Beneficiaries Since Beginning Business

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

GUY W. COX, *President*



NATIONAL LIFE

of Vermont

Makes New Records

Gains and indications of improvement in business appear in the report of the company for 1935.

Increase in New Life Insurance: Paid-for new life insurance increased over 20% — one of the largest gains in the 86 years' history of the company.

Increase in Assets: Assets were increased by more than \$20,000,000.

Increase in Surplus: The surplus and contingency reserve, shown in the statement, is the largest in the history of the company.

Increase in Premiums for Life Insurance: The total income from this source showed a gain of more than \$1,000,000.

Increase in Payments from Annuities: Notwithstanding an advance in rates in the middle of the year, payments for annuities increased more than \$9,000,000.

Increase in Dividends for 1936: An increase in the dividend scale and in the total of dividend payments for 1936 favorably affects all policies except those largely depending for dividends on excess interest earnings, which will show a reduction.

Market Values: If all the securities were valued on a strictly market basis as of December 31, the surplus and contingency reserve in the statement would be \$12,721,332—\$1,926,450 more than appears in the statement. Actual market values of bonds are \$1,626,430 above cost to the company.

FRED A. HOWLAND, *President*

86th Annual Statement December 31, 1935

ASSETS

United States Government Bonds.....	\$18,840,921
Federal Land Bank Bonds.....	5,520,359
Federal Intermediate Credit Bank Debentures.....	1,261,938
Municipal, State, & County Bonds.....	16,813,389
Public Utility and Industrial Bonds.....	21,818,551
Municipal & Provincial Bonds, Canada....	1,615,165
Foreign Government Bonds.....	585,950
Total Bonds (Amortized Basis).....	\$66,456,273
Preferred Stocks (Market Value).....	\$5,260,393
Mortgages, First Liens.....	37,408,652
Policy Liens.....	31,273,577
Other Secured Loans & Agents' Balances (net).....	65,849
Real Estate.....	19,671,393
Cash in Banks.....	13,338,185
Interest and Rents, Due and Accrued....	2,776,948
Deferred and Uncollected Premiums (net)...	2,866,425

Total (less non-admitted \$109,870)... **\$179,007,825**

LIABILITIES

Policy Reserves.....	\$159,178,807
Policy Claims, Proofs not Complete.....	380,653
Policy Claims, Estimated, but not Reported	230,000
Contingent and Other Liabilities.....	164,358
Taxes Accrued but not Due.....	942,065
Premium Deposit Fund.....	1,584,496
Dividends on Deposit.....	2,183,880
Dividends Assigned for 1936 Distribution..	3,548,684
Surplus, including \$2,000,000 Contingency Reserve.....	10,794,882
Total.....	\$179,007,825

NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE MONTPELIER VERMONT PURELY MUTUAL ESTABLISHED 1850

Job and Future of Supervisor Considered by Williams

The job of the supervisor was taken up in an address prepared by Malcolm L. Williams, assistant manager of agencies of the Provident Mutual Life, and read by Ernest A. Farrington, agency assistant of the company, before the February meeting of the supervisors group of the Philadelphia Association of Life Underwriters. Mr. Williams was injured in a taxicab accident on his way to the meeting.

In his paper, Mr. Williams said that supervisors are divided into three classes:

1. Young successful salesmen who are trying supervisory work to see if they like it. The major part of their income is still from production. Probably they are specializing on recruiting or training or joint work.
2. Supervisors of some experience who have succeeded as agents and who are aiming for general agency or managerial work.
3. Supervisors who have settled down as well-paid assistants in substantial agencies. They like their company, their boss, their job, their town. They may ultimately get into general agency work but are not immediately aiming at it.

Should Find Out What Boss Wants Him to Do

Discussing the first group, he remarked:

"First, find out what the boss wants you to do. Get him to be definite. If he asks for more than his money's worth, don't say so, but make counter-suggestions as to your duties and goals. Come to a definite agreement as to standards. Then do what he wants you to do. Actually plan your work and work at it. Accomplish something tangible. In a nice way, see that he knows it."

"Don't burn your bridges. It's very easy to drop your production work and very foolish to do so before you can see a little way into the future. As a matter of fact, you should get more production work done because of the very necessity of using your time to better advantage."

Men in Second Group Are in Difficult Place

To the second group, he stated: "You men in this group are in a rather difficult spot. You have to learn all you can about management to get ready for that general agency or managerial appointment you are hoping for. You have to please the head of the agency or he won't keep you now and he won't back you when you get a chance for promotion. Probably you have to please the home office or that chance for promotion will never come along."

Mr. Williams then went on to cite the following basic qualifications demanded by the Provident Mutual before a supervisor can be considered for a general agency appointment:

1. That he is a good salesman. He proves this by earning his living by selling life insurance.
2. That he believes in life insurance. He proves this by having a well-planned, adequate life insurance program of his own—in force.

Must Be Capable of Doing Hard Work

3. That he can handle his own financial affairs. He proves this by living within his income and saving money.
4. That he is level-headed, not highly temperamental, with a well-controlled nervous system, bearing up well in adversity, and not being subject to long periods of the "blues."

5. That he is capable of continuous hard work.
6. That he can and will plan his work and then fulfill his plan. He proves this by doing it as a special

agent. 7. That he has a real interest in general agency work. He proves this by aiding his general agent in recruiting, training and supervision, without necessarily receiving any compensation for his efforts other than perhaps through membership in company clubs, etc. 8. That he is ambitious and has qualities of leadership. He may prove this in many ways, among them, being helpful in arranging and taking part in agency meetings, being a member of his local underwriters association (a plus mark if he is active without ill effects on his business), taking part in civic and community affairs, being willing and anxious to be helpful at company conventions, etc.

Should Advise Men of Tangible Accomplishment

Mr. Williams went on to say that the supervisor should find the proper people in the home office to be contacted and to advise them of tangible accomplishments indicating grounds for promotion.

"One supervisor of my acquaintance," he remarked, "gets every week from each of eight men in the agency the name of a prospect whom the agent has recently called upon, failed to close, and dropped. He makes a check-up visit to each of the prospects and asks: 'Did our Mr. Doe tell his story well?' He then makes a last attempt to close the case for the agent. After succeeding or failing, he remarks that the reason the agent gave a good sales talk was that he was well-trained. Emphasizing the fine training methods used in the agency and the success attained by its members, he tries to get nominations of prospective agents. This gives the supervisor at least eight sources of prospective agents per week. He occasionally secures a good nomination and he occasionally closes a case, thereby gaining the good will of the men already in the agency."

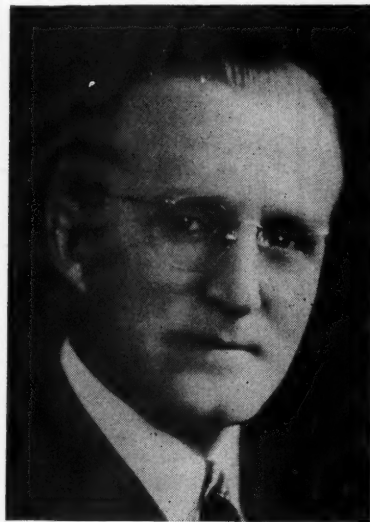
Call on Selected Policyholders Weekly

"A plan I have used myself is to call regularly on ten well-selected policyholders every week. If you want to try this, study in advance the insurance in force on the life of each. Tell the policyholder that you are making a good will call and start in by praising the agent who has written the insurance on his life. The policyholder ordinarily will be glad to agree that he is a good man. Try to secure from the policyholder some new leads for the agent. Succeeding or failing in this, try to get nominations of prospective agents. If you will go through this routine regularly, you will be successful in adding new men and you will earn the respect and gratitude of the men in the agency."

He advised against stunts to increase production, advocating instead a basically sound and lasting program. He also urged "learn all you can about the financial aspects of agency operation. When you have an insight into this broad subject you will understand the advantage of having some capital when and if you apply for an agency and you may try harder than before to manage your own financial affairs well so that you can accumulate capital."

To members of the third group, he stated: "The single thing I want to suggest is that you consider occasionally whether or not the general agent is earning a continuous, permanent profit on your work. Try to keep the direct expenses of your unit or your work low. Don't get delusions of grandeur and demand over-elaborate facilities. If you cannot operate at a profit as a supervisor, there is no reason for believing you will be able to as a general agent."

Richter Is Returning to American Conservation



J. F. RICHTER

J. F. Richter, who is well known in the fraternal insurance field, has returned to the American Conservation Company of Chicago as one of its vice-presidents. He was educated at DePaul, Harvard and Carnegie Tech. He was in different lines of business until 1921 when he entered the employ of the International Insurance Service Company, which was organized by H. G. Shimp, president of the American Conservation Company. He gained valuable knowledge in both old line and fraternal insurance. His duties involved sales and set up work preliminary to the obtaining of contracts; development of working plans for home offices as well as field organizations, and direct supervision of field forces combined with the handling of correspondence. He is resigning as associate manager of DeBarry & Associates of Chicago and as general manager of C. D. DeBarry & Co., an affiliation begun when he severed his connection with the American Conservation Company in 1930.

Detroit Agent's Excellent Record

Roy E. Stringer of the Detroit agency of the State Mutual Life, is the leader in volume for last year and third high agent in number of lives. His company house organ, "Field Service," calls attention to the fact that his prospects are real ones. He is third on the list for lives and he was among the leaders in paid business during all but two months in the year. He has produced three or more applications every month except his vacation month. His average policy is about twice the company average. Only three cases ordered by him could not be replaced and two of them were for additional insurance. Two other cases were declined. He placed only one annuity during the year. Of his production 70 percent is ordinary life. Family income made up 17 percent. His average sized policy increased in 1933 by 51 percent and his paid business by 40 percent.

Would Bar Five Concerns

Attorney-General Beeler of Tennessee has filed petitions in chancery court at Nashville seeking an injunction to restrain four concerns from operating in the state on the ground they are violating the insurance laws. Those concerns are the National Benefit Association, National Agency Company, American Union Life Association, Washington Benefit Association and Washington Burial Corporation.

Waived Premium Commission Again Is Upheld by Court

IMPORTANT ILLINOIS RULING

Appellate Tribunal in Nathanson vs. John Hancock Case Follows Pick Suit Reasoning

For the second time—so far as is known—in the record of legal cases involving life insurance in this country, the right of an agent to commission on premiums waived under a disability waiver clause in life policies has been sustained. The Illinois appellate court, first district, has just affirmed in a unanimous ruling a judgment for J. B. Nathanson against the John Hancock Mutual Life previously rendered by the municipal court at Chicago. Nathanson now is an agent connected with the Hintzpetter agency, Mutual Life of New York, in Chicago.

The amount involved is \$579, of which \$365 is commission on waived premium, \$176 commission on a portion of the first year premium not paid by the policyholder before his death, and \$38 attorney's fees of the John Hancock representative which had been charged back against the agent.

Decision on Three Points

The one decision covers the three points, commission on the waived premium and on a portion of first year premium under two policies having been denied by the company, and the \$38 item, which the John Hancock held was justifiable since Nathanson in his effort to get his commissions had started garnishment proceedings which cost the company's representative \$38 to defend.

The importance of the decision was indicated by the appellate court giving an order this week to print the ruling in full and to report it.

The court found no justification for charging back the attorney's fee, either in principle or precedent.

Details of Case

It was related that the assured, Demont, having paid six months' premium of an annual premium of \$1,417.80, died under circumstances which raised a dispute over the question of suicide. Suit was commenced and the company settled for \$35,300 on the \$50,000 policy. The company argued there was no evidence that the unpaid balance of premium was deducted in final settlement.

The court stated, however, "We are of the opinion that it is self-evident that this was done. By paying the beneficiary in the policy any sum, whether the full amount or by compromise, the company acknowledged liability under a live policy, which could be alive only by virtue of the payment of the premium for the current period during which the liability occurred. Otherwise it must be considered that the company paid out a substantial sum without receiving the premium to which it was entitled. This is unthinkable."

Rules Company Got Money

The court noted that it was unimportant what was the bookkeeping method, and also that the policy did not require that the premium be paid directly by the insured. The only requisite for the agent to receive his commission was that the company should have received the benefit of the premium.

In regard to commission on premium waived in the second policy, issued to Courtwright, the company claimed the waived premiums were not collected and paid to the company, therefore commission was not allowable. The Illinois court said in this connection:

"We have here a question somewhat similar to that in the Demont instance. When the insurance company pays disability benefits and waives all premiums, how does the company provide for such

benefits and for the compensation to itself in lieu of premiums paid by the insured? We again say that it must be self-evident that the company in some manner provides for such a situation."

The court referred to the famous Pick vs. State Mutual Life decision rendered by the Illinois appellate court Oct. 10, 1933, the first final adjudication of the issue so far as is known. In that case an agency contract provision for payment of commissions "as the premiums were paid" was ruled to include "premiums paid out of the disability reserve fund of the company after it had waived payments, just as much as if the premiums were paid directly by the insured," the court related in the Nathanson decision.

In the Pick decision the court said, "It is difficult to assume that the plaintiff, as agent, would undertake, or that defendant would expect him to undertake, to sell life insurance, commencing as an additional and attractive feature of the policy the provisions for disability benefits and waiver of premium payments, with full knowledge on his part that the additional attractive features of the policy which he urged on his client would, in the event of disability, deprive plaintiff of renewal commissions which he would have received if that provision were not included in the policy."

The appellate court held Nathanson was not bound by the restrictions and limitations in a contract between the John Hancock and its Chicago representative which was cited in defense.

Vermillion Agency Series Is Addressed by Prof. Utzinger

Gifford T. Vermillion, Wisconsin manager for the Mutual Life of New York, announces a series of 10 lectures to his agency staff by Prof. Vernon Utzinger, professor of psychology and speech at Carroll College, Waukesha, Wis. The lectures are given each Monday morning from 8:30 to 9:30. Subjects which Prof. Utzinger will discuss are "Principles of Persuasion," "Correct Speaking," "Characteristics of Individuals," "Ten Factors of a Salesman's Preparation," "Motivation" and "Study of Human Nature."

Chaddick Most Valuable Agent

Clyde Chaddick, San Antonio agent Lincoln National Life, has been named "most valuable agent" for the fourth consecutive year. This is a record in the Lincoln National Life. Three production factors are considered: volume, persistency and average size of policy.

Minnesota Mutual's Group

The Minnesota Mutual has 89 group policies in force for \$29,341,528 with 157 wholesale cases for a total of \$2,528,600. The three largest groups are the University of Minnesota, \$8,393,000, Norfolk Navy Yard, \$2,078,000 and the Dallas Cotton Exchange, \$1,460,000. During the year 26 group cases were written for \$6,996,617 and 55 wholesale cases for \$1,361,300. The combined group and wholesale premium income for last year was \$375,000.

The Wilson-Kimball Agency of Fort Peck, Mont., led by a wide margin in group production last year, having eight cases. In wholesale production John Boyle of Chicago led with 13 cases.

Cancels Police Group Policy

The Shenandoah Life has cancelled a group policy covering the Richmond police force. The policy had been in force for 10 years. Unfavorable experience prompted the action, President E. Lee Trinkle stated. A total of 260 active and 30-odd retired officers were covered by the policy against total disability and death.

Amel Earp, Oklahoma City local agent and C. C. Day, general agent Pacific Mutual, have been named directors of the Oklahoma City Better Business Bureau.

SALES RECORDS SET

Northwestern Mutual Life—Started out new year with \$23,612,997 of new paid-for insurance, exclusive of \$1,519,806 in annuities, for January. This is a gain of 6.3 percent over 1935, 21.37 percent over 1934, and 44.94 percent increase over January, 1933, the low year. The average policy continues to show further increase, while lapses and surrenders also are more favorable. The net increase of insurance in force for the month of January was \$6,778,954.

Volunteer State Life—Unusually good January business this year, with the paid-up contracts exceeding those written in January, 1935, by 35 percent.

Lafayette Life—January paid-for business was 104 percent better than January, 1935, and applied for business in January, was 26 percent better.

Central Life, Chicago—Continues to show a consistent increase. Paid production in January increased 41 percent. New sales material, literature, and improved selling methods inaugurated by R. M. Waterbury, the new director of agencies, are in a large measure responsible. A number of new

agency appointments have contributed to this improvement.

Bankers Life, Neb.—New business written in January totaled \$1,327,000, as compared with \$950,000 in January, 1935.

Occidental Life of California—January written business gained 41.7 percent. There were no special drives or sales stimulus.

London & Scottish—A. H. P. Priddey, manager for Canada, announces that the new life business secured by the whole corporation in 1935, after deduction of all not-taken-ups and annuities set an all time record since it was founded in 1862.

Texas—Lincoln National Life Beaumont agency showed a 49 percent gain in written and 48 percent in paid business for January. Houston agency showed a 53 percent increase in written and 97 percent increase in paid business in January.

S. M. Thompson, Lincoln National, Pittsburgh, made an increase of 43 percent paid for business in 1935. The agency was in sixth place among all agencies of the company for January and fourth place in December. A. E.

Barnett, one of the Pittsburgh agents, led the field force for 1935, while C. F. Sheedy, associate general agent, who joined the company in November, ranked second for the country in December.

J. I. McNelly, Spokane, Wash., New York Life—January total 140 applications for \$369,000. Gain of 30 percent.

Northwestern National—Best January in its history with sales of \$6,890,779 in regular business is reported; sales exceeded the previous January record, made in 1934, by 53 percent, and last January's total by 74 percent.

Los Angeles, Bankers Life of Des Moines agency in charge temporarily of J. G. Butterbaugh, assistant superintendent of agencies, reports a January gain of 20 percent in paid production.

T. J. Blinder, Equitable of Iowa, Portland, Ore., January 77 percent better than the same month of last year and 81 percent ahead of December. Five members of the agency already qualified for the convention at Colorado Springs next July.

Collins Assists Cecil North

C. B. Collins, who has been assistant manager in the School St., Boston, Metropolitan Life office, has been made assistant to Cecil North, New England superintendent of agencies of that company.

"Insure your earnings"—slogan for "Accident & Health Week—1936."

THE FRANKLIN LIFE INSURANCE COMPANY

SPRINGFIELD, ILLINOIS

ANNUAL STATEMENT JANUARY 1, 1936

ASSETS		LIABILITIES	
Cash	\$ 1,048,014.02	Legal Reserve	\$30,132,251.00
Bonds:		Death Claims Due and Unpaid	NONE
U. S. Govern-		Claims Reported But Proofs Not	
ment	\$1,755,923.86	Complete	100,156.76
State	742,834.95	Reserves for Claims Unreported	25,000.00
Municipal	1,328,771.72	Other Reserves and Special	
Public Utilities ..	905,771.28	Funds	153,001.02
Railroad	29,932.72	Premiums and Interest Received	
Equipment Trust ..	101,231.85	in Advance	267,932.86
Federal Land Bank	101,264.58	Reserve for Taxes Payable in	
Industrial	149,196.48	1936	143,142.29
First Mortgage		Commissions, Medical and Other	
Loans:		Expenses Due and Accrued...	21,098.35
Farm	\$6,974,836.01	Total Liabilities	\$30,842,582.28
City	4,080,332.75	Capital and Surplus.....	1,217,979.26
Policy Loans	7,244,381.17		
Real Estate (including Home			
Office)	5,647,035.27		
Collateral Loans	68,610.80		
Accrued Interest and Rents.....	947,560.26		
Net Deferred and Uncollected			
Premiums	934,863.82		
Total	\$32,060,561.54		
		Total	\$32,060,561.54

PAID TO POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION

\$62,464,151.87

INCOME

The Company's income during 1935 exceeded its disbursements for the same period of time by \$853,541.69.

DEATH CLAIMS

No death claims upon which proofs were completed remained unpaid on January 1, 1936.

Insurance in Force—\$170,699,993

The Franklin Life Insurance Company's fifty-two successful years of life insurance protection for policyholders and beneficiaries have been based on conserva-

tive management and strict adherence to the fundamental requirements of investment safety and life insurance stability.

Protection and Security for Policyholder and Beneficiary



A. S. Ingersoll Takes a Fling at "Consumers Research"

The article in the "Consumers Research," which passes on different products and services in the interest of buyers and especially householders took a fling at endowment insurance by a so-called expert, Attorney W. S. Weiss of New York and has drawn fire in a number of directions. The "Consumers Research" has a number of subscribers who have faith in its analysis of different articles. A. S. Ingersoll of Chicago, assistant general agent of the Mutual Benefit Life, is taking exception to the article and being a subscriber to the "Consumers Research," he felt it appropriate for him to express his views, which are as follows:

Shows Lack of Knowledge

"This article indicates such an abysmal ignorance on the part of Mr. Weiss on the subject which he pretends to discuss as an expert, that it cannot help but reflect seriously on your editorial efficiency. As a matter of fact, the article is so bad that it would fall of its own weight, without the reputable backing which your publication gives it, and it would not be worthy of the slightest notice. He apparently does not even know that in the leading companies the bulk of the life insurance written is on the full life rather than the endowment forms; that all but a negligible proportion of full life policies is on the continuous premium ordinary life plan; and that a far larger percentage of commissions per dollar of premium is paid (and properly so) on ordinary life than on endowment forms.

"His references to the relative lack of flexibility of endowment insurance are correct in the main, and this is, of course, one of the principal reasons for the predominance of the life forms as compared with endowments. This does not mean that there is not a proper function in certain cases for the endowment plan, or that the writing of any plan of endowment is a 'racket.' It also appears to have escaped his expert notice that a more recent liberalization of contracts and practices by the leading companies, permitting the maturity of life plans as endowments for all practical purposes to the extent of the current cash value (even though it does not equal the face of the contract), has done away with an increasingly large amount of straight endowment forms which were formerly in popular demand. Other increasingly important reasons in favor of the life as against the endowment plan impinge at numerous angles upon the fields of income, estate and gift taxation.

"His crowning stupidity, however, is his unsupported statement that annuities

in combination with low premium life insurance produce superior results, for the investor. I have seen this proposition advocated before by so-called insurance counselors who were anxious to make an additional commission out of tearing down a retirement endowment program to a lower premium plan and attempting to demonstrate a superior result by investing the assumed savings in premium in an annual premium retirement annuity. Any fair comparison of these schemes shows Mr. Weiss' claims to be utterly without any support, and any person who knew the fundamentals involved would hardly need to analyze and compare these propositions because they would know in advance that there would be a duplication of overhead in having the two complementary and separate contracts which would make the result which he claims outside of all reasonable expectation. This scheme savors of the kind of quackery that is being hunted

out of one jurisdiction after another by the more enlightened of the insurance commissioners. A campaign of that character has been under way for some time in New York state and more recently in Illinois.

"I have referred to only a few of his outstanding fallacies, but the most offensive and unjustifiable feature of his article is the malicious and unsupported implications against the ethical conduct and standards of the life underwriting profession. Coming unsupported from him, with the palpable bias and ignorance of his subject which his discussion discloses, this would have no importance; but backed by the prestige of your publication, it assumes serious proportions and should be an even greater matter of concern to you than to the public or the life agents.

Other Sources Available

"Isn't it just conceivable that there may be a source either in the National Association of Life Underwriters or the commissioners of insurance for New York or other states, where you can get a dependable check on discussions of this character, or at least a dignified statement, which you should consider, even if you believe it partisan, before publishing articles of so palpably malicious and prejudiced a content?"

Government Aided During Depression by Life Payments

If it had not been for the payments made by life insurance companies to beneficiaries and policyholders in the United States during the depression, governmental agencies undoubtedly would have found it necessary materially to increase their disbursements for relief, it was declared by Harper Sibley, president Chamber of Commerce of the United States, speaking at a luncheon before the Life Underwriters Association of New York City.

Sums Paid to Living

In commenting on the payments which were made by life companies during the six year period beginning with 1930, Mr. Sibley stated the most interesting fact was that the major portion of these disbursements went to living policyholders. In no other nation, he said, has life insurance developed upon as large a scale as it has in the United States. Although the growth of life insurance was gradual in the early days, since 1885, as life insurance has come to be regarded as a business of scientific exactitude, the growth has been most striking. In 1935, alone, life companies disbursed to policyholders and beneficiaries approximately \$2,600,000,000.

Taking into account beneficiaries of the policyholders, with allowance for overlapping, it has been estimated that the aggregate number of individuals protected by life insurance in this country and Canada is 100,000,000. Obviously, life insurance is the concern of the many—not of the few.

Declaring that insurance is one of the outstanding business activities of the nation, Mr. Sibley stated that it is of deep interest to the Chamber of Commerce of the United States, and expressed his appreciation of the hearty support of the entire insurance industry. Commenting on the part played by life insurance funds for investment, he said they have played an important role in the financing of homes, both rural and urban, in the building of railroads and the extension of important industries.

Company Investments

"During the world war," he said, "life insurance funds were made available to the government, so that following the war, the companies had more than 10 percent of their assets in government securities. Broadly speaking, the bulk of life insurance assets has always been held in the two major classes of real estate—mortgages and bonds. Mortgage holdings at the present time amount to over 22 percent of the total assets of the companies. Bonds, which were the ranking class from 1906 until 1925, when they were superseded by mortgages, have, during the past four years, again reverted to first place. Investments in stocks and bonds, chiefly bonds, aggregate \$10,096,000,000 and represent more than 47 percent of total assets."

Taking up the picture of business as a whole, Mr. Sibley stated that remarkable gains have been made since the summer of 1935, both in employment and manufacturing production, and said that the basic industries were well along the road to their normal level of activity.

Will Honor Manager Quinn

D. J. Quinn, manager since 1930 the Prudential's borough hall office in Brooklyn, will be honored at an anniversary dinner celebrating his completion of 25 years of service Feb. 27. The dinner will be attended by many business associates and other close friends, including officers from the home office and leading field representatives in Greater New York, some of them having been associated with him since his earliest days with the company.

New Officers Are Elected



CARL L. ODELL
President



WALTER E. WEBB
Vice-President

Carl L. Odell was elected president of the Hercules Life, the Allstate Insurance Company and the Allstate Fire, the Sears, Roebuck fire companies this week. He succeeds Col. G. E. Humphrey who is retiring, in order to devote his entire time to private interests.

Other officers elected are: Walter E. Webb, vice-president and director; W. N. Lowe, vice-president and secretary.

Mr. Odell has had a long insurance experience, having been a prominent insurance broker in Chicago prior to becoming vice president of the Allstate at the time of its organization. He was also a prime factor in the organization of the Hercules Life, which acquired the reinsurance contract covering the business of the former National Life U.S.A.

Mr. Webb Is Prominent

Mr. Webb has been engaged in the insurance business for many years. He was vice president of the former National Life U.S.A., continued in association with the receivership of that company and joined the Hercules when the reinsurance agreement became effective. He is active in conventions and other insurance associations and enjoys a wide acquaintance with insurance departments.

W. N. Lowe was for 17 years in various Sears, Roebuck operating divisions

and was assigned to the Allstate at the time of its organization, where he has become an extremely valuable executive in that company as well as the Hercules. The Allstate and the Allstate Fire have had steady growth since they started business late in 1931. They have built up a combined premium income in 1935 of \$1,358,802.62 with a capital and surplus as regards policyholders of \$1,199,051.15 and \$415,848.79 respectively.

Directorates of the Companies

The Hercules in conserving the business of the old National Life was sufficiently successful to show a lapse in 1935 of only a little more than 9 percent of the insurance in force at the end of 1934 and 87.5 percent of the premiums paid in 1935, were paid in cash by policyholders.

The directorates of these three companies include L. J. Rosenwald, chairman—chairman of the board, Sears, Roebuck & Co.; Gilbert Alexander, banker; J. M. Barker, vice president and treasurer, Sears, Roebuck & Co.; D. M. Nelson, vice-president, Sears, Roebuck & Co.; Carl L. Odell; E. J. Pollock, vice-president and comptroller, Sears, Roebuck & Co.; Hugo Sonnenschein, attorney; Walter E. Webb; Sidney Weinberg, banker; R. E. Wood, president, Sears, Roebuck & Co.

Quebec Tightens Up on Unethical Life Agents

The Quebec insurance department, under direction of the Life Underwriters Association of Montreal, operates a card index where complaints on agents are recorded. The object is to remove unethical agents from the field. The advisory board of the association is doing its utmost to stamp out switching, twisting and other unethical practices. Laws were enacted by the Quebec legislature during 1935 to combat twisting of business. The result is that the number of life agents in the province of Quebec has been greatly reduced.

During 1936, when agents apply for licenses they will have to state why they changed from one company to another, and answer other questions which will aid the weeding out of unsuitable agents. There is to be a tightening up generally.

Central States Life Names Walter M. Crunden as Head

(CONTINUED FROM PAGE 4)

assistant secretary; E. E. Flood, assistant secretary; James P. Fox, assistant treasurer; Dr. Henry Jacobson, medical director; Eloise Koch, assistant actuary, and R. H. Burd, counsel.

The directors issued the following statement:

Family Long Connected

"Walter M. Crunden has accepted the presidency of this company at the unanimous request of the board of directors, all of whom are aware of his family's long connection with the history of this company. Mr. Crunden's father, Frank P. Crunden, was connected with the company for 17 years. He was president for 11 years and chairman of the board for six. During the time of his incumbency the insurance in force increased from \$5,278,000 to \$104,500,000 and the assets from \$651,000 to \$14,403,000. We have a strong and capable board with a single and undivided purpose of building the company to its proper position as one of the outstanding insurance companies of the middle west. The company has been assured of the fullest cooperation of R. Emmet O'Malley, superintendent of insurance, and of the entire state insurance department."

Before Mr. Graham became president, that position paid \$36,000 a year salary. He took the job at \$23,000 a year and later in the interest of economy the salary was again cut to \$14,000.

Fight for Control

For some time there has been a persistent report in local insurance and financial circles that A. A. Stifel, an investment broker, would seek to obtain control of the Central States Life and that he also contemplates making a bid for the assets and insurance of the defunct Continental Life of St. Louis with a view of merging the two. Since May 25, 1934, the Continental Life has been in the hands of Superintendent O'Malley. The department was recently authorized to advertise for bids for its assets and insurance. These bids are to be submitted on or before April 15.

Mr. Crunden succeeded his father as president of the Crunden-Martin Manufacturing Company, woodenware manufacturers, 760 South Second street. He resides in Ladue Village, an exclusive residential district in St. Louis county. He is 48 years old.

Can Be Relied Upon

While Mr. Crunden is considered favorably disposed toward the controlling faction headed by Mr. Stifel and G. B. Logan, local attorney, he can be relied upon to conduct the affairs of the company in the best interest of all the stockholders and policyholders. Messrs. Stifel and Logan for some time have represented the Kansas City Life on the board of the Central States Life. The Kansas City Life held 25,000 shares out of the 80,000 shares of Central States Life outstanding. The Crunden family controls about 5,000 shares, while George Graham, the retiring president, is the largest individual stockholder with 10,000 shares of record. It is understood that his actual holdings are in excess of that amount.

Early in January J. B. Reynolds, president of the Kansas City Life, gave Mr. Stifel an option on the 25,000 shares of Central States Life stock. Whether Mr. Stifel took stock for himself or for others or for resale has not been revealed. Mr. Reynolds has told newspapermen that his company was not connected with the change in control of the Central States Life.

Mr. Logan, who becomes general counsel, is chairman of the St. Louis Chamber of Commerce Air Board.

The five new directors are: A. L. McCormack, president of the Charles L. Crane Agency Company, and a former president of the Missouri Association of Insurance Agents and also of the St.

Bombshells and Laughter Seen in New Volume



LAWRENCE A. WILLIAMS

L. A. Williams, general manager of the Country Life of Chicago, is author of a book entitled "Bombshells and Laughter." It is dedicated "To the salesmen and organizers the world over who know the value of laughter and of spreading good cheer." Mr. Williams is a natural leader among men. He believes in the mission of humor. He says in the book, "If I can get three good laughs while I put over one idea, I will advance my cause and be remembered. If I try to chuck ideas down the throats of people, no matter how great or valuable the ideas, I shall fail utterly." He acknowledges that the book is one of created and in a few instances remembered stories "dictated from the joyful memory of their past effectiveness." Mr. Williams realizes that laughter is a messenger of good cheer and inspiration and that it broadens one's nature. The book is chuck full of good stuff as the result of 25 years of story telling by a man who is often called on to speak and uses his story telling talents to make speech effective. The book is sold by THE NATIONAL UNDERWRITER at \$1.25.

Louis Fire Underwriters Association. He is a very close personal friend of Superintendent O'Malley, and is expected to prove the key man in the affairs of the Central States Life since he is the balance of power between the majority faction, headed by Mr. Crunden, Mr. Stifel and Mr. Logan, and the minority interests represented by Mr. Graham, Mr. Sims, former vice-president, and J. C. Jones, formerly general counsel. Others are F. E. Gunter, vice-chairman of the First National Bank in St. Louis; L. E. Smith, an attorney; Massey Wilson, one time president and chairman of the board for the defunct International Life, and J. H. Grand, an attorney.

Holland Gets Additional Fee

J. F. Holland, formerly chief deputy insurance superintendent for Missouri, has been allowed additional fees of \$12,000 by Circuit Judge Joynt as partial allowance for his service as special commissioner of claims for the Missouri State Life. Mr. Holland, who was appointed Sept. 16, 1933, was allowed \$8,500 some time ago to cover his services between that date and Dec. 10, 1934, and the additional \$12,000 covers to Feb. 13, 1936.

In his application for the additional allowance he stated he had made 20 partial reports on his activities as commissioner, revealing that he had allowed claims for a total of \$169,566, and denied claims amounting to \$311,457, while claims for \$20,000 were dismissed.

Twenty-Sixth Annual Statement

MONTANA LIFE INSURANCE CO.

HELENA

Enduring as the Mountains

MONTANA

100.00% TOTAL ADMITTED ASSETS	\$12,858,088.98
52.5% Bonds	\$ 6,750,986.72
U. S. Government.....	\$ 854,592.52
State, County and Municipal.....	2,378,722.20
Railroad.....	1,151,109.30
Public Utility.....	2,358,062.70
Miscellaneous.....	8,500.00
14.2% First Mortgage Loans	\$ 1,826,387.77
On residences.....	\$ 587,369.48
On business blocks.....	566,882.91
On productive farms and ranches..	308,084.85
On other income property.....	364,050.53
26.52% Policy Loans Within the Reserve	\$ 3,410,415.34
3.29% Real Estate	\$ 422,399.79
Home Office (cost \$245,516.22 in 1924).....	\$ 50,000.00
Real estate acquired through foreclosure.....	214,100.00
Balance due on real estate sold under contract.....	158,299.79
3.49% Other Assets	\$ 447,899.36
Cash on hand.....	\$ 91,810.79
Accrued interest earned.....	115,032.85
Net deferred premiums and other items.....	241,055.72

100.00% TOTAL LIABILITIES	\$12,858,088.98
80.14% Legal Reserve on Policies	\$10,303,973.00
1.43% Present Value of Future Installment Payments	\$ 184,280.00
0.32% Claims	\$ 40,888.00
Reported but awaiting proofs.....	\$ 15,888.00
For any possible claims incurred in 1935 but not yet reported.....	25,000.00
1.37% All Other Liabilities	\$ 177,293.36
Premiums and interest paid in advance.....	\$124,018.00
Reserve for taxes, payable in 1936..	25,116.00
Current bills and miscellaneous.....	28,159.36
16.74% Surplus to Policyholders, including Voluntary Reserve	\$ 2,151,654.62
Voluntary Reserve for Future Emergencies.....	\$651,654.62
Capital Stock.....	500,000.00
UNASSIGNED SURPLUS, \$1,000,000.00	

For every \$100 the Montana Life is obligated to pay, it has assets of \$120.09.

The largest item in liabilities is the reserve on policies, which, under the strict Montana insurance law, must be kept on deposit with the State. It will be observed from the certificate of the State Insurance Commissioner, the Montana Life's total deposit with the State is \$11,861,138.96, or more than one and one-half million dollars in excess of the sum required by law.

Not a single bond listed as an asset in this statement is in default. The few small issues in default which the Company owns were charged off.

STATE OF MONTANA Insurance Department

I, JOHN J. HOLMES, State Auditor and Commissioner of Insurance, DO HEREBY CERTIFY, that the Montana Life Insurance Company of Helena, Montana, had on deposit with this Department on December 31st, 1935, securities for the benefit of all policyholders as required by law, in the amount of \$11,861,138.96.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the STATE CAPITOL in this City of Helena, this 15th day of January, 1936.

(Signed) **John J. Holmes**

STATE AUDITOR
and Commissioner of Insurance

The market value of bonds owned by the Montana Life, December 31, 1935, substantially exceeded the book value at which they are carried in this statement.

Seventy-eight per cent of the rail and utility bonds listed in the assets are in the A class; 21 per cent are in the B class, while one issue representing only 1 per cent of the total is rated CCC. This is the lowest rating of any bonds held by the Montana Life. Thirty-three per cent of the bonds are rated in the AAA class. It is not possible to obtain ratings on all municipal, state and school bonds, but all those owned by the Montana Life are of the highest grade, evidenced by the fact they are selling over the book value.

No Mortgage loan is made in excess of 50 per cent of the conservatively appraised value. Residence loans are confined to modern, up-to-date homes in desirable residential districts, on the amortized basis, under which the loan is paid off in a fixed period by regular monthly payments. Loans are confined to improved property whether rural or urban.

Real estate values in this statement are the conservative market value under existing conditions. All real estate sold in 1935 sold at a profit over the book value.

The voluntary reserve for future emergencies plus capital stock and unassigned surplus constitutes 16.74% of the liability items. This \$2,151,654.62 is additional protection to policyholders, over and above the reserves required by law.

Operations of the Montana Life for 1935 resulted in an increase of insurance in force, an increase in new paid business, a higher average interest rate and more income saved than in 1934. The year's operations showed fewer death losses than were to be expected, fewer policies lapsing and a decrease in policy loans and notes given to pay premiums.

**Surplus to Policyholders Including Voluntary Reserve
Over \$2,000,000**

Carl Rasch
President

Robert B. Richardson
Executive Vice President

Practical Suggestions for the Life Salesman

(CONTINUED FROM PAGE 1)

a piece of paper the amount of money you need for this year. Don't make that figure too low. I am a great believer in earning more rather than living on less. We can do pretty much what we want to in this world, within reason, and it is just a case of setting our sights and getting ourselves in the proper frame of mind.

"For illustration, I am going to put as your quota \$5,000 for 1936. The next thing to do is to go see your general agent or supervisor and ask him how much business you must do this year, on first year commissions, to earn \$5,000. If you are an old timer in the business, he can tell you from past performances.

"If you are a newcomer, the average of the office will be good enough. You will probably sell some term insurance, annuities, family incomes, or have a few lapses, that will bring your average commission per thousand down. But I am going to assume a safe average of \$10 a thousand. That means you must do \$500,000 of volume in order to earn, in first year commissions, your quota. We are in business to make a profit so we are going to forget renewals and let them act as a hidden profit.

Planned Distribution Card Is Arranged

"I realize that the average volume in this business is far below \$500,000. How are we going to go about this job—getting this volume? We must have an organized plan or definite program. Here's Suggestion No. 1—take a piece of cardboard or paper and rule off a planned distribution quota card."

Mr. Phillips then offered a sample card giving \$50,000, one life; \$25,000, four lives; \$10,000, 20 lives; \$5,000, 20 lives; \$2,500, 16 lives, and \$1,000, 10 lives—a total of 71 lives for \$500,000 of business.

"Have your general agent counter-sign your quota card," he continued. "Then tack it on the wall of your office so that it is before you every minute. As you pay for a case, ring it with a red pencil. You will know how near on schedule you are at all times. You may find, as you go through the year, that you are writing too many small cases. Then it is necessary to plan in larger brackets.

"Personally I think 71 cases a year is too few. I average about 100.

"Where are we going to get the business? We must prospect and plan.

"Most men go through their prospect cards, write a few names on a piece of paper and set out. That is not enough. We have thumbed the cards so often that we only see the name. We don't go over the information nearly enough. Once in a while we need a different system to make this old stuff look new. Here's an idea I have been using for a few months and am excited about.

Important to Get Data on All One's Prospects

"This black book contains the name and complete information of every client I have. Date of birth, policy history, date of issue, method of premium payment, amount of deposits, beneficiary settlement, etc. It serves many purposes. In planning a day's work, you have the complete story at all times. When the term policy is to be converted, age changes, etc. I carry it with me constantly."

Mr. Phillips gave several illustrations of how he had found the book helpful. He told of going to see a prospect, who was out. So he visited another in the neighborhood.

"Before opening his door, I looked at the book. He had \$92,000 insurance.

I merely said to him: 'You have always wanted \$100,000 of insurance; you now have \$92,000. Eight thousand will complete a job you have in mind.' And he bought.

"I had it home one night. I turned to the page of a neighbor. I had a hunch. I called him up and he told me to come over. I sat down with him and his wife and turned to his page. I gave him the minimum income sales talk. He said he would want a minimum income of \$400 a month. I merely took my pencil and drew a circle next to two \$5,000 policies and said:

"You'll need this for clean-up, readjustment, etc., if anything happened to you. That leaves \$50,000 on which we want an income of \$400 a month. Frankly, I'm stumped. You tell me how to do it. The best I can provide that you get with safety is approximately \$200."

"We argued back and forth, brought in motivation of taxation, bills, and whatnot and I finally closed a substantial case. With the black book, you have all the information."

Mr. Phillips said that among other items need in planning were advertising of some nature such as a monthly letter or piece of literature "to keep your name constantly before your prospects and clients," and building prestige. To the latter end, he suggested:

1. Work on community chest and other charitable drives.
2. Talk to groups.
3. Pay our bills promptly.
4. Give prospects who are attorneys and accountants notice of all tax changes.
5. Follow up birthday lists very carefully.

Specific Idea Is Back of Every Sale

He remarked that "we have to have a single specific idea behind the sale." Then he recited a recent case where the prospect was not interested when approached on a \$100 a month family income plan. He changed his approach; talked about the prospect's business and business insurance. He learned that the man owned a plant that had an \$80,000 mortgage. He walked out with a \$70,000 ten-year endowment to amortize the mortgage in ten years.

He asserted that most men live up to every cent they make and that agents have to tell a man what he wants to do. "Don't let a man tell you he can't afford it. I am a great believer in creating an obligation first and finding a way to pay for it afterwards."

Business cases, he said, required more care in planning. "A good plan is to try and get a Dun & Bradstreet report on the prospect and bring it along when going to make your sales talk. Often the man is pleased and flattered that I went to all that trouble. In many cases, he is really interested in reading his own report.

"When you plan to see a man on the father and son idea, take a bank along so that you can show him exactly what

other boys are doing, by putting 10 cents a week away, and letting the parent do the rest.

"If you are going to see a man on taxes, bring along a schedule showing how much his taxes are going to be.

"Planning is not easy, but it is half the battle. It will give you the proper mental attitude. It will make you direct the interview and if you will talk to enough people, you will get them to talk and you will sell life insurance."

He then offered the following ten ideas, suggesting his audience take one a day, go through their prospect files and pick out those who would be interested:

1. Options; 2. conversions; 3. father and son; 4. son and father; 5. dividend sale; 6. loans; 7. salary continuance; 8. retirement income; 9. business insurance, and 10. taxes.

He concluded by remarking that the agent must be like an actor.

"I recently sold an annuity to a playwright. I went to the opening night of one of his shows, a musical comedy. After the performance, the entire cast was called on the stage for corrections, future rehearsal notices, etc. After the stars had had their meeting, the chorus collected and a little fellow, the dance director, was giving them a talking to. I've never forgotten that incident. He said:

"You were pretty good tonight. The critics were down front, and you wanted to get good notices. And it's new and exciting. But," he said, "get this and get it straight—every night is opening night." And with us, if we want to be effective, if we want to sell life insurance—every interview we have, every sales talk we give—must be opening night."

Fraternal Wins Suit Before Supreme Court of Colorado

DENVER, Feb. 20.—The Colorado supreme court reversed a Denver district court decision awarding judgment on a claim to C. E. Hildebrandt against the Neighbors of Woodcraft for insurance on his wife who died in 1933. The society refused to pay on the grounds the certificate had lapsed. Hildebrandt contended that although premiums were unpaid for two months before his wife's death, he should collect because "for some years prior to her death she had many times paid the monthly premiums and assessments after the due date and same were accepted by the company without question."

The lower court sustained the beneficiary on this point but the high court ruled that, judging from the record, the insured did not rely on this custom. The company had argued that this custom was not involved, since the insured had refused to pay past due premiums and taken out insurance in another company.

Qualifies for B. M. A. Club

T. B. Isaacson, Utah agent for the Business Men's Assurance, qualified for membership in the Grant Club in January. Only once before in the history of the company has an agent set up such a record, when W. G. Mitchell qualified in January, 1931. Mr. Isaacson paid for more than \$4,000 in premiums.

PRESIDENT COX AND HIS LEISURE HOURS

Guy W. Cox, new president of the John Hancock Mutual Life, finds his recreation in music, flowers and fishing. Mr. Cox earned a part of his college expenses by playing the organ in the college chapel. He has maintained his interest in music and inspiration and relaxation are found at the organ keys. For a long time Mr. Cox has made regular trips to Canada to fish. In recent years, however, he has made his journeys to good fishing less arduous by providing and stocking a trout pond on

his farm of several hundred acres close to Boston.

The major civic interest of Mr. Cox is in Boston University. He is vice-chairman of its board of trustees. It was from that school that he received his bachelor of law degree in 1896, the same year in which he became counsel of the Metropolitan in Boston.

Mr. Cox's hobbies and civic interest mirror accurately the man. He is scholarly in his discourse, gentle and gracious in his personal relations.

Schoch Agency Has Big Trophy of Aetna Life

The annual award of "President's Trophies" for 1935 has been made by M. B. Brainard, president of the Aetna Life, to general agencies at Detroit, Philadelphia, Oklahoma City, Milwaukee, and San Francisco.

They are awarded annually to those agencies which show greatest general



H. K. SCHOCH

improvement through the year in respect to increased business, development of full-time organization, conservation record, and quality of production and improvement in the numerous other phases that contribute to a well-balanced and progressive agency organization.

Schoch's Agency First

There is a national award which goes to the agency leading all others in all-around improvement and four regional awards which go to the leading agencies in the four remaining regional divisions of the field organization.

The national award was won by the H. K. Schoch agency of Detroit. Winner in the eastern region was the W. R. Harper agency at Philadelphia. The F. E. Pence agency of Oklahoma City received the trophy for the southern region. The Albert E. Mielenz agency of Milwaukee won in the western region and the Pacific region award went to the F. Crook Whatley agency, San Francisco.

H. K. Schoch, general agent of the agency winning the national award has been with the Aetna Life since 1925 though he has been in charge in Detroit only since 1930. He is 46 years old. W. R. Harper of Philadelphia went with the Aetna Life 38 years ago and became general agent in Philadelphia in 1905. Albert E. Mielenz, 74 years old this April, is the grand old man of the field organization who once said, "when a younger man can do a better job than I can do, then I will drop out. But not until then." Mr. Mielenz joined the Aetna Life in 1891, beginning as an agent. He was made general agent in Milwaukee in 1918. F. E. Pence took charge in Oklahoma City in April, 1934. His winning of the president's trophy in less than two years as a general agent is a particularly handsome tribute. F. Crook Whatley has been general agent in San Francisco since March, 1931. He first went with the Aetna Life in 1925 as a personal producer in Los Angeles. He is a brother of Vice-president S. T. Whatley.

Company Leaders in 1935

Large Producers and Foremost General Agencies and Territories Announced by Many Organizations in Special National Underwriter Survey

AETNA LIFE

PRODUCERS: (1) Peter Dworsky, Minneapolis; (2) J. S. Maryman, Little Rock; (3) T. M. Miller, San Antonio; (4) C. B. O'Connell, Brooklyn; (5) R. A. Bernard, New York City; (6) Robert Ulrich, Philadelphia; (7) F. M. Minninger, Jr., New York City; (8) W. W. Luman, New York City; (9) R. Barrett, Jr., New York City; (10) H. G. Feldman, Pittsburgh. AGENCIES: (1) The Lutheran Agency, New York City; (2) R. S. Edwards, Chicago; (3) W. M. Hammond, Los Angeles; (4) G. H. Campbell, Little Rock; (5) W. R. Harper, Philadelphia; (6) H. K. Schoch, Detroit; (7) W. B. Thomas, Pittsburgh; (8) A. E. Mielenz, Milwaukee; (9) C. F. Gay, Boston; (10) F. C. Whitley, San Francisco. STATES: (1) New York, (2) Penn., (3) Calif., (4) Ill., (5) Texas, (6) Mich., (7) Ohio, (8) Conn., (9) Mass., (10) New Jersey.

BANKERS HEALTH & LIFE, GA.

PRODUCERS: (1) A. C. Yeomans, Macon, Ga.; (2) E. A. McLendon, Macon, Ga.; (3) W. G. King, Griffin, Ga. AGENCIES: (1) Macon, Macon, Ga.; (2) Griffin, Griffin, Ga.

EMPIRE LIFE & ACCIDENT

PRODUCERS: (1) Ord., H. E. Morris, Gary, \$23,500; Ind., P. A. Rounds, Anderson, \$61.41 increase; (2) Ord., E. Labas, E. Chicago, \$23,000; Ind., Otto Greene, Columbus, \$49.04 increase; (3) Ord., M. Hughes, Anderson, \$20,750; Ind., V. V. Rutter, S. Bend, \$38.02 increase. DISTRICTS: (1) Ind., M. A. Young, Mgr., Marion, \$301.24 increase; Ord., J. J. Meyer, Mgr., E. Chicago, \$123,381; (2) Ind., V. J. Park, Mgr., South Bend, \$249.84 increase; Ord., H. A. Young, Mgr., Marion, \$102,000; (3) Ind., R. E. Ringham, Mgr., Vincennes, \$230.66 increase; Ord., V. J. Park, Mgr., South Bend, \$101,000.

EUREKA-MARYLAND

PRODUCERS: (1) Dominic Cammarano, Hazleton, Pa.; (2) Ralph DeShan, Hazleton, Pa.; (3) Fred Mondik, Hazleton, Pa. AGENCIES: (1) M. A. DeCusatis agency, Hazleton, Pa.; (2) E. V. Hartman agency, Wilkes-Barre, Pa.; (3) Troback & Burke agency, Pittston, Pa.

GUARANTEE MUTUAL LIFE

PRODUCERS: (1) O. C. Nail, Spokane, Wash., \$519,500; (2) J. P. Farmer, Chicago, \$482,486; (3) S. A. DiFiore, San Jose, Cal., \$419,750; (4) A. R. Rucks, Nashville, Tenn., \$405,000; (5) W. L. Tueller, Salt Lake City, \$306,000; (6) W. A. Gamble, San Antonio, \$304,948; (7) J. J. Zillis, Chicago, \$302,452; (8) C. H. Dawson, Cincinnati, \$266,500; (9) F. F. Ehlen, Chicago, \$261,873; (10) Guy O. Street, Fort Worth, Tex., \$260,750. AGENCIES: (1) I. D. Wallington, Cleveland, \$1,296,153; (2) Farmer & Warrick, Chicago, \$1,046,523; (3) Floyd McKennon, Seattle, \$1,044,250; (4) G. G. Ripley, San Francisco, \$891,300; (5) J. E. McCabe, Atlanta, \$686,876; (6) G. B. Fisher, Portland, Ore., \$612,434; (7) W. A. Gamble, San Antonio, \$599,224; (8) A. R. Rucks, Nashville, \$498,500; (9) F. F. Ehlen, Chicago, \$491,317; (10) I. F. Archer, Louisville, \$451,095. STATES: (1) Ill., \$2,783,932; (2) Cal., \$1,553,701; (3) Neb., \$1,295,543; (4) Texas, \$1,248,258; (5) Ohio, \$1,211,793; (6) Wash., \$965,933; (7) Georgia, \$737,064; (8) Mich., \$701,475; (9) Mo., \$646,898; (10) Tenn., \$628,199.

IMPERIAL LIFE, ASHEVILLE

PRODUCERS (Operate in N. C. only): (1) E. L. Clemmons, High Point, \$42,000; (2) W. W. Kendall, High Point, \$40,500; (3) L. G. Arndt, Hickory, \$39,500. DISTRICTS: High Point, \$335,090; Asheville, \$189,500; Fayetteville, \$181,500.

KANSAS CITY LIFE

PRODUCERS: (1) Dix Teachenor, Mo., \$1,715,177; (2) C. P. Carroll, Mo., \$1,008,029; (3) H. F. Gemme, Wash., D. C., \$698,699; (4) J. G. Fuqua, Tex., \$625,738; (5) O. Sam Cummings, Tex., \$460,300; (6) L. E. Madden, Wis., \$458,150; (7) John Huckstep, Mo., \$434,500; (8) R. B. Given, Cal., \$423,270; (9) Bert Reed, Okla., \$414,250; (10) C. B. Elliott, Colo., \$407,420. AGENCIES: (1) Missouri, Kansas City, \$10,630,209; (2) O.

Sam Cummings, Dallas, \$9,434,747; (3) J. T. Allen, Denver, \$4,938,000; (4) L. C. Mersfelder, Oklahoma City, \$4,030,330; (5) Birmingham Branch, Birmingham, \$3,206,223; (6) Given & Judd, Los Angeles, \$3,098,612; (7) W. T. Koop, Minneapolis, \$3,012,766; (8) L. E. Madden, Milwaukee, \$2,648,155; (9) W. G. Hunter, San Francisco, \$2,230,255; (10) Walter M. Seitz, Chicago, \$2,146,426. STATES: (1) Mo., \$1,100,913; (2) Tex., \$9,222,390; (3) Okla., \$4,418,549; (4) Cal., \$3,662,194; (5) Kan., \$3,632,256; (6) Colo., \$3,263,279; (7) Minn., \$2,921,568; (8) Ill., \$2,544,983; (9) Wis., \$2,372,059; (10) Ind., \$2,073,800.

MIDLAND LIFE, MO.

PRODUCERS: (1) Dennis G. Colwell, Dallas, \$491,572; (2) C. J. King, Kansas City, \$351,562; (3) C. H. Watkins, Fort Worth, \$230,620. AGENCIES: (1) Dennis G. Colwell, Dallas, \$766,258; (2) Home Office, Kansas City, \$765,206. STATES: (1) Texas, \$2,197,675; (2) Missouri, \$1,825,119.

MUTUAL TRUST LIFE

PRODUCERS: (1) George A. Hatzes, Manchester, New Hamp.; (2) S. W. Hutchinson, Trenton, N. J.; (3) William J. F. Roll, Cincinnati; (4) Hollis E. Beckman, Rockford, Ill.; (5) Osburn N. Jones, Wenatchee, Wash.; (6) Thomas F. Waller, Chicago; (7) Clifford P. Carlson, Rockford, Ill.; (8) Halsey Steins, Chicago; (9) William J. Bristol, Newark, N. J.; (10) Laurence McDonough, Cleveland. AGENCIES: (1) Home Office, Chicago; (2) John H. Ehn, Hartford; (3) Boston Office, Boston; (4) George A. Hatzes, Manchester, N. H.; (5) Roll & Schnieders, Cincinnati; (6) Eugene M. Warren, Providence, R. I.; (7) Hollis E. Beckman, Rockford, Ill.; (8) O. I. Hertsgaard, Minneapolis; (9) Gilbert Knudsen, Los Angeles; (10) William F. Larsen, Springfield, Mass. STATES: (1) Illinois, \$4,155,325; (2) Mass., \$2,153,034; (3) Connec-

ticut, \$1,909,045; (4) Ohio, \$1,686,573; (5) Wisconsin, \$1,534,018; (6) New Hampshire, \$1,003,641; (7) New Jersey, \$913,289; (8) Minnesota, \$910,139; (9) Michigan, \$877,579; (10) Washington, \$757,833.

NATIONAL GUARDIAN, WIS.

PRODUCERS: (1) L. C. McGann, Madison, Wis., \$315,000; (2) M. Cohen, Milwaukee, \$172,000; (3) F. A. Van Sant, Madison, Wis., \$151,143. AGENCIES: (1) F. A. Van Sant, Madison, Wis., \$1,257,000; (2) S. J. Stevenson, Milwaukee, \$1,117,000; (3) M. F. Emerson, Spring Valley, Wis., \$896,000. STATES: (1) Wisconsin, \$3,865,000; (2) Minnesota, \$440,000.

NATIONAL LIFE & ACCIDENT

PRODUCERS: (1) Will C. Pollard, Nashville, Tenn.; (2) W. A. Scott, Nashville; (3) T. P. Henderson, Jr., Nashville; (4) O. Brooks, Cleveland; (5) R. M. Tigert, Nashville; (6) R. E. Fort, Jr., Nashville; (7) P. S. Betchunis, Youngstown, O.; (8) S. G. Brading, Nashville; (9) B. Q. Downard, Ft. Wayne, Ind.; (10) C. C. Hunnicutt, Johnson City, Tenn. AGENCIES: (1) Ft. Wayne, Ind.; (2) Johnson City, Tenn.; (3) Nashville No. 2; (4) Chicago No. 3; (5) Bowling Green, Ky.; (6) Huntington, W. Va.; (7) Detroit No. 3; (8) Louisville No. 2; (9) Philadelphia No. 1; (10) Columbia, Tenn.

NORTH AMERICAN, ILL.

PRODUCERS: (1) Robert M. Feely, Newark; (2) Freeman Alford, Kansas City; (3) Joseph Moore, Green Bay, Mich.; (4) G. C. McNitt, Milwaukee; (5) Harry Schaefer, Milwaukee; (6) Louis Roth, Prophetstown, Ill.; (7) G. W. Payne, Los Angeles; (8) M. E. Wright, Muncie, Ind.; (9) G. E. Wells, Bergenfield, N. J.; (10) H. G. Eversole, Columbus, O. AGENCIES: (1) Eastern Division, Newark; (2) Ohio Agency, Columbus; (3) Illinois Dept., Champaign, Ill.; (4) Northern Illinois, Chicago; (5) McNitt Agency, Milwaukee; (6) Illinois State, Peoria, Ill.; (7) Alford Agency, Kansas City; (8) Green Bay Agency, Green Bay, Wis.; (9) Wisconsin State Agency, Milwaukee; (10) Central Division, St. Louis. STATES: (1) Ill., (2) Ohio, (3) Wis., (4) New Jersey, (5) Missouri, (6) Cal., (8) Kansas, (9) No. Dak., (10) Mich.

(To Be Continued)

Double Celebration of a Notable Official



EDWARD E. RHODES

Edward E. Rhodes, vice-president of the Mutual Benefit Life, will celebrate his 68th birthday Feb. 21. This year also marks his 50th anniversary of service with the company, entering the employ of the Mutual Benefit in 1886.

Jones with American National

W. L. Moss, superintendent of agencies, has announced appointment of Mark A. Jones as Kentucky state agent for the American National of Galveston. Mr. Jones is a former supervisor for the Commonwealth Life of Louisville.

LUTHERAN BROTHERHOOD

(Legal Reserve Life Insurance)

Minneapolis

HERMAN L. EKERN, PRESIDENT

Minnesota

Financial Statement as of December 31, 1935

ASSETS		LIABILITIES	
First Mortgage Loans:		Reserves on Policies and Annuities...\$4,366,389.18	
City	(19.35%) \$1,075,860.00	Held in reserves required by statute for the payment of benefits promised our policyholders.	
Farm	(15.43%) 858,157.13	Reserves on Disability..... 77,790.63	
Church	(9.93%) 551,874.19	Held in reserves required by statute for the payment of benefits promised our policyholders.	
Bonds:		Death Claims Awaiting Proof..... 4,516.00	
U. S. Gov't.....	(6.80%) 378,000.00	Present Value of Death Claims Payable in Installments by Request..... 49,440.59	
Other Gov't, State and Municipal	(14.33%) 796,304.24	Present Value of Disability Claims Payable in Installments..... 152,041.33	
Pub. Util.	(4.13%) 229,723.18	Premiums Paid in Advance..... 247,036.09	
Railroad	(1.66%) 92,442.17	Amounts deposited in advance for payment of future premiums.	
Policy Loans	(18.25%) 1,014,599.69	Dividends Left at Interest and Dividends Due	157,367.10
Cash	(2.30%) 128,059.14	Miscellaneous Reserves	35,427.58
Interest Due and Accrued	(1.85%) 102,826.69	Surplus to Policyholders.....	469,920.35
Premiums Due and Deferred and Misc.....	(4.12%) 229,220.15		
Real Estate Including that Sold Under Contract...	(1.85%) 102,862.27		
Total Admitted Assets...	(100%) \$5,559,928.85	TOTAL	\$5,559,928.85

Actual Deaths to Expected Mortality 35.89% Net Rate of Interest Earned 4.26% Ratio of Assets to Liabilities 109.29%

Summary of Growth and Payments to Policy Holders

	Ins. in Force	Admitted Assets	Surplus	Interest Earned	Death Claims	Dividends Paid
1920.....	2,193,500.00	47,943.34	16,095.95	1,522.17	2,000.00	935.91
1925.....	9,390,000.00	431,157.68	70,728.56	19,477.66	13,500.00	10,656.87
1930.....	37,675,188.00	2,420,549.09	220,928.06	107,834.52	73,113.00	86,203.89
1932.....	40,977,778.00	3,669,975.61	357,610.74	172,518.42	91,215.00	118,964.27
1934.....	45,996,821.00	4,803,161.13	441,438.30	206,574.07	115,388.25	129,244.11
1935.....	51,028,342.00	5,559,928.85	469,920.35	235,056.19	154,887.87	135,199.49

EDITORIAL COMMENT

Changes in Presidential Ranks

In the past few months there has occurred a change among an unusually large number of companies, in so far as the chief executive is concerned. The death of PRESIDENT A. A. WELCH of the PHOENIX MUTUAL LIFE is thought of as being the first in this series of changes. He was succeeded by ARTHUR M. COLLENS. Death also changed the picture in three other great mutual institutions when PRESIDENT W. H. SARGEANT of the MASSACHUSETTS MUTUAL LIFE, PRESIDENT WILLIAM A. LAW of the PENN MUTUAL and PRESIDENT W. L. CROCKER of the JOHN HANCOCK MUTUAL LIFE, died within only a few days of each other.

Then, in several other companies the presidents have desired to be relieved of the more onerous duties of chief executive and successors have been elected. PRESIDENT GEORGE I. COCHRAN of the PACIFIC MUTUAL LIFE is one of those presidents to ascend to the more comfortable berth of chairman of the board in recent weeks; another is ROBERT W. HUNTINGTON of the CONNECTICUT GENERAL LIFE. Then there was J. C. BUFFINGTON of the GUARANTEE MUTUAL LIFE, and finally DAVID S. DICKINSON of the SECURITY MUTUAL LIFE of BINGHAMTON.

There was the change in the CENTRAL STATES LIFE, which was due to new interests obtaining control and was only one of the recent changes in which conflict was apparent. GEORGE GRAHAM is the retiring president. This week comes the announcement that COL. G. E. HUMPHREY is retiring as head of the HERCULES LIFE.

It can't be said that the choice of chief executives to fill these various vacancies indicates a significant trend or that any one particular type of man, with any one particular type of experience, has been chosen.

The new president of the JOHN HANCOCK MUTUAL, GUY W. COX, has a predominantly legal background.

PRESIDENT B. J. PERRY of the MASSACHUSETTS MUTUAL LIFE has had a general insurance experience, actuarial, book-keeping, personnel management, etc.

PRESIDENT COLLENS has had particular experience in the investment end of the business.

The new president of the CONNECTICUT GENERAL, F. B. WILDE, has been a general insurance executive, with particular interest in agency affairs.

F. D. RUSSELL, now president of the SECURITY MUTUAL LIFE, has a banking and financial background.

W. M. CRUNDEN, new president of the CENTRAL STATES LIFE, has been a manufacturer.

JOHN W. HUGHES, the new president of the GUARANTEE MUTUAL LIFE, is an insurance executive of general experience.

A. N. KEMP, the new president of the PACIFIC MUTUAL LIFE, is predominantly a financial and investment man.

CARL L. ODELL, who now heads the HERCULES LIFE, had many years' experience as an insurance broker before joining in the interesting experiment whereunder SEARS, ROEBUCK & Co. entered the automobile and life insurance business in Chicago.

The Test of Utilitarianism

In the want ad section of the Chicago "Tribune" recently appeared: "Wanted—Furniture covers, grand piano or what have U? For life insurance in leading Co. Address T. H. 436, Tribune."

If money is to be dispensed with as a medium of exchange, THE NATIONAL UNDERWRITER suggests the necessity for new regulations governing the producer. There should be a requirement that the agent must prove his ability to utilize whatever he undertakes to take in exchange for a policy. This would protect the qualified life underwriter from

competition of the unfit who would be willing to accept whatever is offered, regardless of his needs for the particular article or his ability to put it to use. As an example, TH 436 who is anticipating the day when money is abandoned as the medium of exchange in favor of the more primitive form of commerce, under the regulations which THE NATIONAL UNDERWRITER proposes, would be required to demonstrate his qualifications to sit on the furniture covers, play the grand piano or fool around with the "what have-U" in more or less professional style.

Tax Evasion and Life Insurance

LIFE insurance men may well give a second thought to the prominence of the tax question in present day selling. Congress is desperate for new tax sources. Taxation of the wealthy is still popular. Every gap in the tax wall put around them

will be closed by Congress. Therefore every such gap that is exploited by life insurance men simply invites new burdens on life insurance.

Life insurance has plenty of uses for rich men, without the tax angle. Yet on

the line of present day selling, if Congress acts to stop tax evasion, so many burdens will be laid on life insurance that wealthy men will not dare to buy it. Life insurance sales, if tax burdens are increased, will be limited to purchasers in moderate circumstances.

There is now pending in Congress a bill (H. R. 8806) to apply the estate tax, "whether or not any or all legal incidents of ownership or control be waived or possessed." There is no bar against retroactive tax laws. Policies may be sold on the tax exemption argument, and within a few months the exemption may be taken away by law. Policies sold now as tax exempt may not be exempt when Congress adjourns.

At the Milwaukee convention of the NATIONAL ASSOCIATION OF LIFE UNDERWRITERS, WILLIAM A. STARK, trust officer of a Cincinnati trust company, sounded a warning that the tax arguments may plague life men. He said, "However, I am happy to say that there are many evidences to prove that the leaders among you and your companies are going to cure the trouble through the application of common sense before the legislators of this country can apply the strait-jacket." His warn-

ing had little effect, because at the Des Moines convention in 1935 innumerable ways of avoiding taxes with life insurance were in the discussions and published in the records. No better chart for tax committees of Congress to develop new taxation could be found than the proceedings of the Des Moines convention.

Mr. STARK at Milwaukee used the experience of trust companies as a warning. He said that many of the trust companies encouraged the formation of trusts to avoid the tax laws of the time. As soon as the devices were discovered, the tax laws were changed, with the result that the estates were tied up in tangles, but taxes were not avoided, because Congress changed the law to reach the trust estates.

When life insurance is hard to sell the temptation to campaign for business on the tax argument is strong, yet such campaigning may result in great loss to life insurance in the future. There will be not only the resentment of purchasers who find their life insurance is no longer tax exempt, but there is the invitation to Congress to impose burdens which otherwise would not be thought of. It is a pity that the confidence of Mr. STARK in the common sense of the leaders was not better founded.

PERSONAL SIDE OF BUSINESS

The Southern California branch of the Travelers is celebrating its 30th anniversary, the office having been opened with the appointment of the late Irwin J. Muma as manager. At that time the annual premium income was under \$100,000 and covered life and accident business only. In 1916 W. E. Shiels was appointed in charge of liability lines of the branch office, and in 1925 the fire underwriting department of the Travelers Fire was added, under the direction of Logan B. Chandler. The branch now handles a large volume of business in each department. A. J. Frith is manager of the life department.

Hugh Earle, Oregon commissioner, tests himself annually to ascertain the extent of his will power. Every February he refrains from smoking. He has done this religiously for 15 years. "I like to smoke, but I want to prove that Earle is still boss of himself," he said. "Naturally I select the shortest month in the year for the test."

Mr. and Mrs. John E. Reilly, Milwaukee, announce the marriage of their daughter, Mary Alice, to Lawrence William Roemer of Neenah, Wis., where the young couple will make their home. The bride's father is president of the Old Line Life of America.

Victor F. Pettrich, who has been appointed general agent of the Ohio National Life at Los Angeles, was a former Milwaukee insurance man. He was general agent of the Mutual Trust Life. He entered the insurance business with his brother Frank at Wausau, Wis. Then for eight years he organized automobile clubs in Milwaukee. He reentered the life business in February, 1929, as field superintendent for

his brother's state agency. Later he became general agent for the Mutual Trust Life. He is a C. L. U. and taught classes in life insurance. Ten days after he struck California he wrote Bing Crosby's twins for educational policies and then a few months later he wrote Shirley Temple for the largest child's policy issued. In his first year he wrote over \$1,000,000 of life insurance in California for 78 cases, averaging \$13,500.

Walter P. Jackson, 60, Jamestown, N. Y., died after a three weeks' illness. From 1910 until 1930 Mr. Jackson was general agent of the Mutual Life of New York in Jamestown.

D. W. Cochrane, Sr., of Greenville, S. C., district agent for the Jefferson Standard Life, died suddenly at Clearwater, Fla. He became general agent of the Jefferson Standard in 1909, but in more recent years had withdrawn from more active duties and had become a special agent.

Bruce Taggart, district manager of the California-Western States Life in Montana, who died in Billings of a heart attack, was the brother of Grant Taggart, the well known million dollar producer for the California-Western States at Cowley, Wyo. Grant Taggart has been a prominent figure at the meetings of the National Association of Life Underwriters for several years and he has a national reputation. He is to be one of the speakers at the sales congress in Los Angeles and in San Francisco in March.

Some 4,000 persons saw the presentation of "Good News" by the General American Life's dramatic club. The entire cast and production staff except the director were



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home office employees. Miss Helen Lenz, who directed the chorus, Olive Leibiger, J. S. Johnson, Loretta E. Kessler, Bee De Vos and Lomax Study distinguished themselves. C. M. Clifford was musical and dramatic director; R. A. Nelson production manager; Helen Lenz, dance director; Alice Leibiger, accompanist, and Douglas Wood, orchestra leader.

J. W. Bailey, star producer in Fort Wayne, Ind., for the Lincoln National Life, died after an illness of more than a year. Since joining in 1922, he had established a brilliant record. He was awarded the highest honor in 1927 as "most valuable agent."

O. P. Adcock, a leading producer in Holt, Mich., died following a brief illness.

Herbert P. Leak, new secretary of the Jefferson Standard Life is a brother of Vice-president C. Elmer Leak. His first life insurance experience was with the Security Life & Trust, prior to the time the company was merged with the Jefferson Standard in 1912. He started with the Security as cashier in 1905. At the time the Jefferson Standard and the Security were consolidated he was made assistant secretary and held that position continuously until his recent election as secretary. Mr. Leak was educated in the public schools of Greensboro and at Eastman Business College.

After 17 years of dealing with deferred settlements of life insurance, as a home office attorney of the National Life of Vermont, **Guy B. Horton** has completed the publication of a set of four books having to do with the subject of settlements, and the latest one, just published, is entitled, "Making the Best Use of Your Insurance."

He makes an interesting chapter in challenge of the view that women are incompetent in the handling of life insurance funds and declares that the reiteration of this argument has been a slander on the sex. To the old argument that "life insurance paid in one sum vanishes," and that "90 percent is dissipated in seven years," he answers that the money may disappear but detailed studies show that it disappears usefully and properly to pay off mortgages and other debts and there is practically no evidence of dissipation. He avers that the one thing that the situation proves is that the amount of life insurance is inadequate.

John H. Evans, vice-president in charge of production for the Ohio National Life, who is on an agency tour of the Pacific Coast, accompanied by A. O. Graeser, assistant secretary, visited Los Angeles and San Francisco. While in Los Angeles they were guests of honor at an agency luncheon, together with Dr. Ben S. Leonard, oldest living director of the company, who is spending the winter here, given by Victor F. Pettrich, recently appointed general agent.

Harry G. Everett, associate general agent Walter T. Shepard agency at Los Angeles for the Lincoln National Life, who has been ill for several weeks, is completely recovered and is again actively on the job.

William D. Van Dyke, Jr., trustee and member of the finance committee of Northwestern Mutual Life of which his late father was president, has been elected president of the village board of Fox Point, suburb of Milwaukee. Mr. Van Dyke has been a village trustee for the last five years.

Explanation of the social security act and a forecast that it will inspire heavy sales of high-value insurance forms was made by **John M. Pfeil**, Pittsburgh supervisor of the Equitable Life of New York, at a session of the Wholesalers Council at a Chamber of Commerce luncheon in Pittsburgh.

E. W. Owen, Detroit manager for the Sun Life and widely recognized Lin-

Higher Cash Value Trend Seen by Woods Company

While in previous years demand was heaviest for term and low premium straight protection policies, the trend in purchase during 1936 will be toward policies with higher cash value, according to representatives of the Edward A. Woods Company of Pittsburgh.

Three types of policies will be heavily sought and procured this year, the Woods Company believes. They are: Optional retirement policies which offer definite income; limited payment forms with premiums ranging from 25 to 35 years, and endowment policies. This forecast is based on the public reaction to the vast amount of publicity that is being given to the social security act.

"The eyes of the employee are being focused on the government's retirement plan. It has started thought of protection for self," asserted Robert L. Feldman, assistant superintendent of the Woods Company. "It will be the same type of year as 1918 when the employer saw new meaning in insurance."

A 54 percent increase in purchase of group policies—life, health, accident, pension—was reported by the Woods Company for 1935. Official figures disclose that the company issued 30,000 policies totaling \$56,125,000 for new insurance or new annuity contracts, an increase of 5,010 policies or \$4,125,000.

coln authority, lectured on Abraham Lincoln before the Unity Group of that city and two days later left for Florida to attend the managers' conference in St. Augustine and to address the Life Underwriters Association of Jacksonville this week.

W. K. Kropp has been appointed manager of the claim department at the head office of the Provident Life & Accident.

Norman E. Winters, head of the Norman E. Winters Insurance Agency and representing the North America Life as general agent, died from pneumonia at his home in Muncie, Ind., after an illness of two weeks. He was a graduate of Wabash College and the Muncie Conservatory of Music. He was active in musical circles.

Nels J. Nelson, northern California branch manager Reliance Life, San Francisco, is in the hospital recovering from a minor operation. He expects to go home in a week.

J. W. Dowling, district manager of the John Hancock Mutual at Utica, N. Y., was honored at a dinner in his city upon the completion of 36 years with the company. He started with the John Hancock in Chicago in 1900, then was transferred to Syracuse and became manager in Utica in 1917. The home office was represented by E. M. Winslow, supervisor of agencies, and R. H. Pelham, field supervisor.

W. M. Houze of Chicago, manager of the John Hancock Mutual Life, who went to San Francisco to preside over the regional district meeting of the John Hancock general agents, is remaining a while on the west coast for vacation.

Leading States Roll Call of Massachusetts Mutual

New York led all the states for the Massachusetts Mutual in new insurance last year, its figure being \$27,491,618. There was a long gap between the next state but Illinois came second with \$10,640,128. Ohio was third with \$9,905,888. Then came the following: Pennsylvania \$8,444,333, Massachusetts \$7,254,845, Michigan \$6,714,420, California \$5,775,178. New York has \$336,864,428 in force, Illinois \$168,614,632, Ohio \$136,029,087, Massachusetts \$141,401,841, Pennsylvania \$122,129,401.

NEWS OF THE COMPANIES

Illinois Report Is Made on the Commercial Life

The Illinois department has examined the Commercial Life, an assessment company of Springfield, Ill., as of Sept. 1. It shows assets \$3,247, surplus \$471. There is a deficit of \$4,880 in the expense fund, which the department says indicates that the sum has been dispersed for expense purposes from mortality and reserve funds and it orders this to be made good by not later than June 30 of this year. This deficit, the examiners say, to some degree is due to the excessive operating expense and the department orders that these expenses be held to a minimum. The management has secured the suspension for a period of five years of the commissions due under the contract be-

tween the company and the Commercial Life Underwriters Company. The report says that every effort should be made to secure the complete cancellation of this contract. While the full authorized salaries of officers have not been paid in the past, the department states that they should be reduced to amounts more reasonable, taking into consideration the volume of business done. The company in the past had taken over the Guarantee Benefit Fund, Washington Benefit, Commercial Mutual Benefit, Equitable Mutual Union, International Mutual Union, Fidelity Mutual Union and Lincoln Benefit.

M. Kuciamba, president and S. K. Grant, secretary and treasurer, are the main factors of the company. It is licensed only in Illinois. For the eight months the total income was \$17,816 and the disbursements \$14,968. It had

Outstanding
by any
STANDARD
of
COMPARISON

EQUITABLE LIFE
OF IOWA

\$736,598 insurance in force with 1,308 policies.

Injunction Involving Union Mutual Life, Iowa, Modified

DES MOINES, IA., Feb. 20.—An order modifying injunction against C. G. Schulz and William Schulz, Jr., principal officers Union Mutual Life, Des Moines, was signed in Polk county district court by Judge Ladd. It permits the holding of an adjourned annual meeting. The injunction issued in January still restrains officers from holding directors or stockholders meetings and electing officers.

Auditor F. L. Sawyer of the company charged the officers with mismanagement, and also that a loan of company funds was made to C. G. Schulz on property security contrary to insurance law. He charged sale of a list of policyholders was made by the company, a procedure which he alleged to have been held by insurance examiners to be improper.

New World Life Gains

The New World Life increased its new business last year about \$1,000,000. There was a gain in new premiums of 46.3 percent. Its lapsation was reduced largely in the Pacific coast territory. It has disposed of several foreclosed properties at a fair profit. It has declared a 4 percent dividend. It has paid in dividends to stockholders up to date \$1,382,172. Its capital is \$1,134,500, net surplus \$584,574 and special surplus \$200,000. It has \$1.23 for each \$1 of liability.

Gains for John Hancock

The John Hancock Mutual Life paid for \$219,861,878 ordinary in 1935 compared to \$209,852,560 in 1934. The ordinary in force increased \$30,164,626 last year, while in 1934 it decreased \$5,461,640. Industrial business in 1935 totaled \$310,791,876 and \$307,738,703 in 1934,

industrial in force increased \$78,845,699 compared to a \$53,756,653 increase in 1934. Group sales totaled \$23,037,250 in 1935 and \$15,068,050 in 1934. Group increased in insurance in force \$10,171,008 in 1935 and \$13,963,794 in 1934.

Seattle Company Dividends

SEATTLE, WASH., Feb. 20.—Payment of dividends out of cash surplus at the end of its second year of operation is announced by the Public Service Life, Health & Accident here. The first dividends are being paid upon the founders' special policy issued by the company to the original founders.

Houston Company in Receivership

The Continental Reserve Mutual Life of Houston has been placed in receivership by the district court at Dallas. Attorney Richard Schultz of Dallas is the receiver.

Union Mutual Reports

At the annual meeting of the Union Mutual Life of Portland, Me., E. P. Waggoner, former president of the Buffalo Mutual Life, was elected on the board. The Union Mutual has taken over that company. Its new business last year amounted to \$6,111,976, which shows a substantial increase. The mortality ratio also went down, it being 56.95. The average age at death was 64 years and the average duration of insurance on the policyholders was 24 years plus. Of the policyholders that lived beyond 90 years, one was 98 and carried his insurance for 62 years, another was 92, and a third 95, both having carried their insurance 63 years.

Midwest Life Promotions

H. J. Bamford, Kansas state manager for the last three years for the Midwest Life of Nebraska, has been appointed assistant agency manager, being transferred from Wichita to Lincoln. He has been with the company for 10 years, and has been general agent at Hutchin-

son and later at Wichita. Kansas production will be handled through a new general agency setup, which includes promotion of these field men: G. A. Ethridge, general agent at Hutchinson; P. C. Swensson, general agent at McPherson; J. C. Rose, general agent at Kansas City, and C. E. Porter, general agent at Salina. C. R. Logan, who has been with the company in a supervisory and managerial capacity, has been named home office general agent at Lincoln.

Seattle Company Organized

The George Washington Mutual Life of Seattle has been incorporated by Earl

Diller, D. O. Nugent, L. J. Bunting, E. Trygstad, J. M. Clay and others.

Life Company Notes

The Republic Life of Oklahoma City has taken over the Southern Mutual Life of the same city.

The Maritime Life of Halifax, Canada, paying its first stock dividend. It was started 12 years ago.

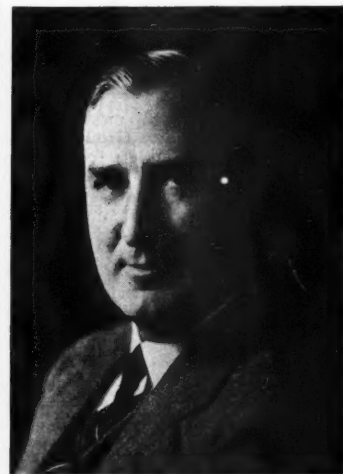
The Illinois department has issued a report on the Chicago Lithuanian Mutual Benefit. It has 2,550 members. The report is of Oct. 31. During the 12 months its income was \$6,025, disbursements \$4,465. Its assets are \$4,559, liabilities \$1,575. It is operated in conjunction with the Chicago Lithuanian Society, which has the same management.

AMONG COMPANY MEN

Hannah Elected a Trustee

Vice-president and Manager of Agencies of Equitable Life of Washington, D. C. Is Promoted

L. H. Hannah, vice-president and manager of agencies of the Equitable Life of Washington, D. C., has been



L. H. HANNAH

elected a trustee. Heretofore his title has only been "manager of agencies." Now he becomes vice-president but retains the management of the production forces. He is an outstanding man in company circles and is very highly regarded.

Mr. Hannah entered the life insurance business when he was 19 years of age as an agent of the Metropolitan Life at Jefferson City, Mo. At the end of the first year he was made assistant manager at Mexico, Mo., remaining there until 1916, when he was sent to Washington as special representative during the war. His duties there were to assist in production and in management of the Washington district. He also helped in the organization of war saving stamp societies. In 1920 he was made manager of the Wilmington, Del., district. He was appointed group supervisor in 1923 and resigned in 1925 to go with the Equitable Life at Washington, D. C., as assistant manager of agencies. In 1930 he was made manager.

The Equitable intends shortly to expand its efforts in additional territory by establishing new districts and detached offices. For the year to date its industrial increase is almost double what it was over the similar period last year.

Collins to New England

The Metropolitan Life has appointed C. B. Collins of the home office as supervisor for the New England territory, succeeding Harry Pryor, who retires March 1. Mr. Collins has served as

branch office superintendent in Boston and was formerly with the John C. Paige & Co., agency in Boston. He joined the Metropolitan Life 17 years ago.

Long Heads Pathfinder

Stanley Long, University of Nebraska regent, was promoted from secretary to president at the annual meeting of the Pathfinder Life of Grand Island, Neb. John Hoyer of Wood River was elected secretary. David Kaufman, president, asked to be relieved of the duties and also retired as director. He was succeeded as a director by John Stevens of Beaver City, former head of the A. O. U. W., from which the Pathfinder, a mutual, was evolved.

Dr. L. H. Lee Medical Director

Dr. W. W. Beckett is now retiring from active service as medical director of the Pacific Mutual Life after holding that position 30 years. He becomes medical director emeritus. The new active medical director is Dr. L. H. Lee, who has formerly been assistant medical director.

Guilford Dudley Promoted

Guilford Dudley, Jr., agency secretary of the Life & Casualty of Nashville, becomes assistant vice-president. He will continue to have charge of production, sales, promotion and conservation in the ordinary department.

Home Office Men Active

Kenilworth Mathus, editor of publications Connecticut Mutual Life, visited the Kenneth W. Jacobs, Jr., general agency in Milwaukee.

Mr. Mathus will address the Newark agency of which Charles J. Zimmerman is general agent, on March 2 on "Direct Mail." This will be the beginning of a 10 weeks' campaign on the part of the agency in direct mail procedure.

George F. B. Smith, assistant superintendent of agencies, visited the Williamson & Wellbeloved agency in Chicago.

Director of Iowa Company

E. H. Gustine, National Fidelity Life general agent at Sioux City, Ia., was elected a director of the company at the annual meeting.

Deputy Bradley Honored

PHILADELPHIA, Feb. 19.—Michael Bradley, deputy insurance commissioner of Pennsylvania, is a proud and happy man today. Appointed to his present post the first of the year to succeed A. G. Costello, he was honored with a testimonial dinner. Two hundred of his friends—associates from the department and friends from his neighborhood—gathered to pay him tribute. And last night the Democratic organization slated him as candidate for Congress from the third Philadelphia district.

Commissioner Hunt, who was to have been at the dinner was called to Pittsburgh on business and wired his tribute.

Financial Statement

January 1, 1936

ASSETS

Municipal and government bonds.....	\$110,802,522.11
(Government, state, county, road, school and city bonds)	
Loans on certificates.....	4,526,507.02
(Loans to members secured by reserves on certificates)	
Loans on real estate.....	461,343.42
(First liens on well-located, improved city property in Omaha, Neb.)	
Real estate.....	1,919,557.71
(Home office building and radio station WOW, Omaha, Neb., and W. O. W. War Memorial hospital, San Antonio, Tex.)	
Cash in depositories and office.....	1,447,592.05
(Cash in banks, subject to check for payment of current claims and expenses)	
Premiums in hands of financial secretaries.....	766,765.95
(Premiums collected from members to be forwarded to home office)	
Interest due and accrued.....	2,800,289.19
(Interest earned on investments to December 31, 1935, payable at a later date)	
Other assets.....	945,138.46
(Accounts receivable, inventories, postage, etc.)	
Total gross assets.....	\$123,669,715.91

LIABILITIES

Mortuary claims in process of settlement.....	\$ 1,134,920.62
(Claims reported, awaiting proofs of loss)	
Commissions, expenses and salaries, due and accrued.....	135,000.00
(Reserves for accrued commissions, salaries and expenses)	
Other liabilities.....	97,778.76
Total.....	\$ 1,367,699.38
Reserves.....	122,302,016.53
(Certificate reserves, reserves for fluctuation of values on securities and other contingent reserves)	
Total.....	\$123,669,715.91

Woodmen of the World LIFE INSURANCE ASSOCIATION

Omaha, Nebr.

De E. BRADSHAW, President

LIFE AGENCY CHANGES

Holmes at Chicago Office

Pittsburgh Manager of the Travelers Is Succeeded by Norman Clendenen of Los Angeles

Jay M. Holmes, who has been manager of the Travelers at Pittsburgh since 1928, has gone to Chicago as assistant manager. He was given a farewell luncheon when the Pittsburgh Life Underwriters Association and the General Agents & Managers Association presented him with a bronze desk set and clock. Members of his own agency gave him a metal tray and smoking set. He has been eight years at Pittsburgh. He served as a member of the board of directors of the Pittsburgh Life Underwriters Association for the entire period, was second vice-president, vice-president and was elected president in 1932. He was chairman of the entertainment committee when the National Life Underwriters Association met in Pittsburgh.

Mr. Holmes following the war took the training course at the home office of the Travelers and was assigned to field organization work at the Omaha office. He opened the branch at Wilmington, Del., in 1923, becoming its manager.

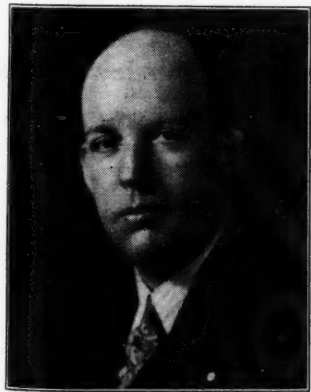
Mr. Holmes will devote his time largely to the cultivation of brokers and brokerage business in Chicago. This is a departure to a great extent as the Travelers has relied very much on its own agents for business.

He is succeeded as manager at Pittsburgh by Norman Clendenen, who has been assistant manager at Los Angeles.

Heads New Women's Unit

The Occidental Life of California has appointed Mrs. Bertha Irene Davis unit manager in charge of the newly organized

Well Known "Millionaire" Joins the Ohio National



VICTOR F. PETTRIC

Victor F. Pettric has been appointed general agent for the Ohio National Life at Los Angeles. For the past two years Mr. Pettric, who is a life member of the Million Dollar Round Table and author of "Head, Heart and Heels," has been a special representative of the Occidental Life. He was formerly a general agent in Milwaukee.

Mr. Pettric has written over 200 cases per year for more than a million of new business during the past five years. In Milwaukee he built a 34 man agency.

The Ohio National Life contemplates agency expansion throughout California. The Los Angeles agency will initiate a number of new agency services, including a regular school and special training for life insurance, estate and taxation services. After March 1 the agency will be at 412 West Sixth street.

ganized women's department of the home office agency in Los Angeles. She entered the business in Indiana, subsequently moving to Arizona, locating at Phoenix, where she organized a substantial agency. In her new connection she has already established a field force of 14 members.

Wills with Ohio National

E. C. Wills has been appointed field supervisor of the Ohio National Life for southwestern territory, with headquarters at Los Angeles. He was agency vice-president of the Liberty Life of Topeka for six years, and prior to this he was agency director at the home office of the Bankers Reserve Life of Omaha.

H. B. Wagoner has been appointed general agent for the Ohio National Life at Long Beach, Cal., with offices in the Ocean Center building. He has been with the company for three years.

Fred H. Brown to Central

Fred H. Brown has been named general agent in Des Moines and vicinity for the Central Life of Des Moines. For the last three years he has been general agent in Des Moines for the Provident Life & Accident and for seven years prior to that he was with the Missouri State Life of St. Louis. Mr. Brown will have charge of the present agency force of the Central Life and plans for expansion of the force are under consideration.

North American Appointments

T. S. Morrison has been appointed manager of the Morrison agency of the North American Life of Chicago in its home city. He is a native of Toronto and a graduate of McGill. He joined the ranks of the Prudential of London and later became assistant sales manager of its Toronto office. He occupied that position for six years and then moved to Chicago to become manager of the home office agency of the Central Life of that city.

M. E. Bradley has become manager of the North American Life of Chicago for northwest Indiana territory with headquarters at Gary. He is 35 years of age.

Fidelity Mutual at Providence

George W. Rawlings, of Providence, R. I., has been appointed manager in Rhode Island for the Fidelity Mutual Life. For the past six years he has been district manager and supervisor in southeastern Massachusetts and Rhode Island for the Penn Mutual. His office is at 16-14-15 Industrial Trust building.

Although a native of Chattanooga, Tenn., he attended school in Providence, and graduated from Brown University, where he was an outstanding baseball player. His father for many years was a general agent in Providence.

Elgar Thune Goes to Chicago

Elgar Thune, former unit manager for the Equitable of New York at Worcester, Mass., has gone to Chicago to become unit manager in the Herbert E. Kerber agency. He is succeeded at Worcester by Don Pierson, who has been a unit manager in Boston.

General Agent in Kansas

Ralph Pfremmer, formerly district agent for the Aetna Life at Wichita, has joined the Guarantee Mutual Life as general agent at Manhattan, Kansas.

Resigns Volunteer Life Post

L. R. Stevens has resigned as superintendent of agencies for Texas for the Volunteer State Life. He has not announced his future plans. T. L. Bond has also resigned as Dallas manager of the Volunteer State Life to join, as

personal producer, the E. F. White general agency at Dallas for the Connecticut Mutual Life. Mr. Bond was formerly an agent at Birmingham, Ala., for the John Hancock Mutual Life and was also general agent there for the Atlantic Life.

Made Manager at Wichita

J. C. Banta has been appointed district manager in Wichita for the New England Mutual Life with offices at 704 Union National Bank building. Mr. Banta had been connected with the Connecticut Mutual at Topeka for the past four years, where he was president of the Topeka Life Underwriters Association.

Named at Walla Walla

V. H. Robinson has been appointed general agent for the Montana Life for the Walla Walla, Wash., territory, comprising eastern Washington, western Oregon and northern Idaho. For the present he will have his headquarters at Pomeroy, where he has lived most of his life.

Supervisor at Chicago

The Provident Mutual Life has appointed Charles H. Wible as supervisor in the Marquis & Ellsworth Agency, Chicago. Mr. Wible has had several years experience with the Phoenix Mutual and the Provident Mutual Life. In his new duties, he will assist in the se-

lection and training of several new members to be added to the sales staff of the agency.

McLean Is Kansas Manager

John J. McLean, formerly of Salina, has been appointed Kansas manager of the Union Central Life, and has opened state offices at 802 Union National building, Wichita.

Moose Opens Omaha Office


Conn W. Moose, former Nebraska insurance commissioner, who has become agency manager of the Columbus Mutual Life for Nebraska and Iowa, has opened headquarters at 710-12 Farnam building, Omaha, Neb. Before becoming insurance commissioner he was manager of the Home Life at Omaha.

Columbus Agency Organized

John C. Dexter & Associates has been organized at Columbus to represent the Columbus Mutual Life. Mr. Dexter had been with the Penn Mutual Life and later with the State Mutual Life.

B. M. A. Names Manager

G. J. Tritch of the sales department, Business Men's Assurance, has been appointed to succeed G. M. Greeley as manager of sales in home office territory not under branch management. Mr. Greeley was made manager of Tennessee the first of the year.



Central Life
Salutes
FAMOUS MEN
OF ACTION

"Buffalo Bill" Cody, scout, Indian fighter and plainsman, whose life and deeds form an epic of pioneer days.

Buffalo Bill
became famous for deeds of courageous action. By the same aggressive traits, Central Life representatives today have become appropriately known as
"Men of Action"

Quoting A. C. Larson of Madison, Wis., manager, Southern Wisconsin Agency:
"Central Life's new Plan Book for 1936 is simple and to the point, and I am sure all representatives will follow through to new production records this year. Home Office help like this is one reason why 'Men of Action' are attaining their objectives."

CENTRAL LIFE
ASSURANCE SOCIETY
(Mutual)
Des Moines, Iowa

SALES MEETINGS

North American L. & C. Force Holds Annual Convention

MINNEAPOLIS, Feb. 20.—Prominent life and casualty men participated in the sales conference of the North American Life & Casualty here. Among them were H. R. Gordon, Chicago, executive secretary Health & Accident Underwriters Conference; M. B. Oakes, Indianapolis, Research & Review; O. B. Anderson, and F. T. McNally, Minneapolis manager Massachusetts Mutual.

H. P. Skoglund, president North American L. & C., was in charge of the program, assisted by B. H. Odell, vice-president and agency manager. Dewey Johnson, deputy insurance commissioner, addressed the meeting.

State Mutual Round Table

Twenty-two general agents of the State Mutual Life arrived at the home office prior to the annual meeting to attend an all day sales conference, at which agency department officials outlined the aims in 1936. The meeting was opened by President Chandler Bullock who introduced the first speaker, Stephen Ireland, vice-president and superintendent of agencies. Mr. Ireland demonstrated the sales experience during 1935, and reviewed the definite sales objectives for the current year. James H. Etelson, assistant superintendent of agencies, who acted as chairman of the afternoon session, followed Mr. Ireland, discussing the coordination of its entire sales efforts. He was followed, in the afternoon session, by the four assistants in the agency department, who made a more intensive survey of the different topics covered in his talk.

Stotz Agency Conference

The annual agency meeting of the R. R. Stotz agency of the Mutual Benefit Life in Grand Rapids was attended by Vice-president E. E. Rhodes, who this year is completing 50 years of service. There were 50 men in the business meetings and a banquet was held for the agents and their wives. Insurance Commissioner Ketcham was one of the chief speakers at the dinner. A birthday cake in honor of Mr. Rhodes was presented. Frank Hughes, general agent in Milwaukee, gave an interesting talk at the afternoon meeting.

Last year the Stotz agency had its most successful year during the last five years.

Kansas City Regional Meet

KANSAS CITY, Feb. 20.—The regional meeting of general agents of the Mutual Benefit Life, held here, was attended by G. T. Blandford, Minneapolis; W. D. Morton, Sioux City; W. S. Cochran, Peoria; G. E. Morstad, Sioux Falls; C. C. Otto, St. Louis; E. J. Phelps, Omaha; F. E. Peck, Mexico, Mo.; M. H. Poindexter, Wichita; H. M. Solenberger, Springfield, Ill.; P. L. Potter, Des Moines; F. E. Stewart, Davenport; W. R. Wilkerson, Denver, and W.

Wife of the President Offers Prizes to Agents

The Ohio National Life has an annual event that the agents appreciate in that Mrs. T. W. Appleby, wife of the president, offers personally two beautiful Rookwood lamps to the leaders, one to the leading agent in volume, and the other to the leading agent in applications. Mrs. Appleby is affectionately known to the Ohio National field force as "Mother Appleby," they regarding her as their patron saint.

T. Thach, Oklahoma City, and George Harsh, Kansas City. E. E. Rhodes, first vice president of the company, was the speaker.

Reliance Life Oklahoma Meet

E. C. Sparver, director of agencies and B. L. Sichelstiel, assistant secretary, Reliance Life spoke at a state agency meeting at Oklahoma City.

Mr. Sparver and Mr. Sichelstiel also attended an agency gathering in St. Louis.

Sun Life Agency Convention

The annual agency convention of the Sun Life of Canada will be held in St. Augustine, Fla., Feb. 20-22. Among those from the head office that are expected to attend are President A. B. Wood, Actuary George Bourke, George Harris, supervisor of field service, J. A. Ireland and F. D. Macorquodale, superintendents of agencies.

American Central in Mexico

The American Central Life is to hold its agency convention at Monterey, Mexico, Feb. 28-March 2.

Winners to Attend Rallies

Those who qualify in a contest now being conducted by the Yeomen Mutual Life will be entitled to attend one of the district meetings scheduled in April. Cash bonuses are also being offered for special effort for obtaining annual premium settlements with applications and for unit sales of \$2,500 or more. "Going Places" is the title of the contest. One of the district meetings will be in Des Moines, April 22, another in Lincoln, Neb., April 24, one in Kan-

sas City, April 27, one in Dallas, April 30, another in Seattle, April 27 and the final one in Los Angeles, April 30.

Carl A. Danielson, regional agent Yeomen Mutual Life at Lincoln, Neb., has called an agency convention at that city for April 24, to be attended by field men from North Dakota, South Dakota, Colorado and Nebraska.

To Meet at Lake Tahoe

The annual convention of the Occidental Life of California is to be held at Lake Tahoe, Cal., Aug. 19-21.

Southwestern Round-up May 8

The New York Life has announced that the spring round-up of the Southwestern department will be held in Wichita, Kan., May 8-9. President Thomas A. Buckner and Vice-president L. Seton Lindsay will attend.

Travelers Texas Meeting

J. S. Reber, assistant superintendent of agencies of the Travelers, was the home office representative of a district meeting held in Dallas, attended by 40 agents. The Texas branch had the largest number of representatives to qualify during the Harrison Hodge contest among the 90 branches of the company.

New World Life Convention

The New World Life held its agency convention starting Feb. 20 at Catalina Island, agents attending from Minnesota, North Dakota, Wisconsin, Idaho, Oregon, Washington and California.

The Pittsburgh office of the Union Mutual Life of Portland, Me., is moving from the Empire building to larger and more attractive quarters in the Oliver building. C. W. Bowser is manager.

Nation-wide publicity, April 20-25 for "A. & H. Week—1936." Tie in with it!!!

NEWS OF LIFE ASSOCIATIONS

Life Meetings in Kansas City

City Sales Congress, State Body Committee and National Council All to Meet in April

KANSAS CITY, Feb. 20.—On April 16 the Missouri Life Underwriters Association's executive committee will meet here in its annual session, and will elect officers. On April 17 the Life Underwriters Association of Kansas City will hold its annual sales congress in the new municipal auditorium, just being completed and one of the finest in America. On April 18 the national council of the National association will meet. Councilors and trustees will be welcomed at a stag party the preceding evening.

Preceded by a state-wide gathering of state association delegates, and the sales congress, which has become a regional affair with attendance from Kansas, Missouri, Iowa, Nebraska, etc., the council session will have more activity and prominence than ever before. Hereafter it has been largely an executive session. At Kansas City it will become an event of outstanding importance to life agents at large.

Will Be Official Hosts

The Missouri Life Underwriters Association, of which George E. Hackman, Jefferson City, is president, and the Life Underwriters Association of Kansas City, of which J. Frank Trotter is head, will be official hosts for the council as well as the other meetings. V. W. Wiedemann, Kansas City, is general chairman for the three gatherings, while Dallas Alderman heads the committee on arrangements; H. A. Hedges, attendance; Willard Ewing, entertainment for delegates; Charles Scott, entertainment for ladies, and H. E. Kincaid, hotels and luncheons.

Arthur P. Shugg, St. Louis, is chairman of the program committee.

Annual Congress at Detroit

Nationally Known Speakers Will Address Qualified Life Underwriters at Meeting on March 13

DETROIT, Feb. 20.—The annual sales congress of the Qualified Life Underwriters will be held here on Friday, March 13.

A feature will be two playlets written and staged by Olivia Orth, author and producer of the Union Central Life and Massachusetts Mutual Life national radio programs, and presented with local insurance talent.

Day Will Talk

C. C. Day, manager Pacific Mutual Life in Oklahoma City, will talk on "The Psychology of Living"; Commissioner John Ketcham will speak on the conditions now existing in the life insurance business in the state and Harry T. Wright, associate manager Equitable of New York at Chicago, and president of the Million Dollar Round Table, will address the congress on "My Plan of Operation."

A new feature of the congress will be the public mass meeting in the evening at which the playlet, "The Magician," will be repeated and entertainment will be provided. More than 1,200 persons are expected to attend.

Only Members Admitted

The morning and afternoon sessions will be open to members only this year, another departure from the usual procedure. Non-resident memberships are available to members in good standing of Michigan, Ohio and Ontario underwriters associations that entitle the holders to attendance at all meetings of Q. L. U. during the year. Non-resident

memberships must be arranged through the officers of the local associations.

* * *

Hobbs Speaker at Columbus

Equitable of New York Manager Finds Social Security Plans Inadequate for Many People

P. B. Hobbs, agency director Equitable of New York in Chicago, was the speaker at the February meeting of the Life Underwriters Association of Columbus, talking on "What Is in the Public Mind." He was introduced by H. E. Chipman, manager Columbus agency Equitable. Among guests were Lloyd Klingman, head salary savings department, Equitable, at the home office, and a number of Ohio representatives who had been attending a one-day school which was addressed by Messrs. Hobbs and Klingman.

Mr. Hobbs discussed the social security law, retirement, income, the Townsend plan, family income, etc. He declared the Townsend plan is unworkable and said only 53 percent of persons gainfully employed come under the social security act. The 47 percent not benefiting will require a complete insurance program. Even those who reap the largest benefits will require much additional protection.

Among the burning questions of the day from the life insurance viewpoint, he said, are the rising cost of living and rising tide of taxation. He pointed out the difficulty of amassing an estate today, and proposed as a solution of the problems, retirement income, family income, estate planning and estate management.

Mr. Hobbs described the C plus 1 plus 1-2 plus 1-4 plan issued by the "Diamond Life Bulletins" and told how it had been helpful to his agents in the writing of life insurance.

He also addressed the managers' division of the association on the managers' objectives in 1936.

The annual sales congress will be held March 19, President H. S. Stephen announced. E. C. Deckard, vice-president, is in charge of the program. A feature will be a symposium on "When a Man Dies—What?" This will be answered by a minister, trust officer and probate judge. There will be a speaker at the luncheon and also two insurance men on the afternoon program.

* * *

Vash Young in Iowa Address

Gives Impromptu Talk at Davenport in Sub-zero Weather with Large Attendance

Vash Young addressed 200 Davenport, Ia., men and women, the majority of them agents, a meeting arranged by Karl E. Madden, general agent Penn Mutual, and S. W. Sanford, president Davenport association. The impromptu address was partly due to the weather, many agents having planned to hear Mr. Young speak at Dubuque. Sub-zero weather and snowbound roads prevented them getting there. Mr. Young stopped in Davenport enroute to Dubuque and the meeting was planned.

He gave "A Message of Encouragement." "If I can do anything in the insurance field, you men can," he said.

Tells Theory of Life

"I finally gained a new theory on life. That was when I was without money, without a job, without hope. Instead of reading about things, I did them. Instead of wishing for patience, I was patient. Instead of dreaming of good deeds, I tried to do them."

"The most dangerous place for an insurance agent is his office. The best place is a prospect's office. It is more valuable to a salesman to be on his way to see a prospect than to read all the books on selling."

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day 'Did I do my very best today?' and receive an affirmative reply, then I am satisfied," he said. "I don't pay attention to the bankroll angle. If I am satisfied I did my very best, then the money rolls in."

* * *

Oregon Program Announced

All-State Sales Congress in Portland
March 2 to Feature Schriver,
Simon and Others

PORTLAND, ORE., Feb. 20.—J. E. Drummond, assistant manager Equitable Life of New York here, has been named chairman of the All-State sales congress to be held March 2. The theme is "Security Through Life Insurance." Mr. Drummond will extend the welcome. The introduction will be by S. R. Strong, C. L. U., State Mutual, and A. A. Hendricks, American National, will be chairman. Speakers will be: "The Life Underwriter and the Bank," Fred Greenwood, manager Bank of California; "Economic Security for the Agent," George Schoeffel, C. L. U., Oregon Mutual Life; "The Industrial Agent," C. H. Twiss, Metropolitan; "Economic Security for Business," L. G. Simon, Equitable Life of New York, New York City.

Schriver Luncheon Speaker

During luncheon L. O. Schriver, general agent Aetna Life, Peoria, Ill., and president National Association of Life Underwriters, will give the address of the day.

A clinic on social security and life insurance will be conducted by Seth Thompson, Penn Mutual, and also a discussion of "The Social Security Act in Relation to Life Insurance." There will be a demonstration on "How to Use the Social Security Act to Sell Life Insurance," led by Robert Mullen, Penn Mutual, and Wallace Lee, Prudential.

Other speakers and subjects will be "Rubber Heels and Juries," Frank Kenin, Mutual of New York; "Economic Security for the Family," George Henselman, Aetna Life, Medford, Ore.; "It's All in the Approach," Charles Frisbie, general agent New England Mutual, Seattle.

* * *

Illinois, Springfield Groups Hold Sessions April 24-25

J. M. McClenaghan, president of the Illinois Association of Life Underwriters, announces that the annual business meeting and election of officers will be held at a dinner meeting April 24. The Springfield association will be hosts and will stage an all-day sales congress the following day. All sessions will convene at the Leland Hotel, Springfield, Ill.

Illinois now has 17 local associations, exceeded in number only by Ohio and Texas. The total membership of approximately 1,800 is the largest in any state except New York, Pennsylvania and Ohio.

* * *

Cleveland Mayor Praises Agents' Work at Meeting

CLEVELAND, Feb. 20.—Mayor Burton of Cleveland spoke on "City Government Today." The mayor termed the work of life insurance agents as a great contribution to stability and peace of mind.

Leaders of the Cleveland Life Insurance Week committees were seated at the speaker's table and introduced by President E. B. Fisher. R. M. Norris is general chairman; J. R. Davis, vice-chairman; David Warshawsky, chairman radio publicity; Clarence Pejeau, chairman billboard publicity; R. L. Kessel, chairman store window posters; Al Hardy chairman posters and pay envelope stuffers (for manufacturing plants); Walter Hart, chairman newspaper publicity and advertising; H. V. Haas, chair-

man downtown window display committee; W. H. Jackson, chairman finance; Helen Rockwell, chairman public libraries display; L. L. Lyons Jr., chairman downtown building lobby displays, and Jerome Halle, chairman public speakers.

Three new general agents were introduced: J. G. Dunne, Guardian Life, formerly of Detroit; T. H. Cummings, National Life of Vermont, formerly of Detroit, and S. W. Richman, Metropolitan, formerly of Canton, O.

* * *

Walker Gives Talks

Continuing his extended speaking tour, De Loss Walker, associate editor of Liberty magazine, recently addressed meetings of the San Antonio Life Underwriters Association and a joint gathering of the Topeka Life Underwriters Association with the Chamber of Commerce. He also addressed members of the St. Louis body, all the talks being on "How Life Insurance Aids Recovery."

* * *

Aurora, Ill.—C. F. Axelsson, past president Illinois association, at the monthly luncheon meeting here discussed the agents' qualification and licensing bill recently signed by the governor. He outlined numerous activities of the National association in its efforts to promote the welfare of members. The Aurora association is taking an active part in the Save-A-Life campaign under the leadership of J. E. Moschel, manager of Travelers.

* * *

Chicago—Starting with a business-getter clinic Feb. 19 on "How to Get Steady Production," sponsored by the Prudential ordinary office of Manager A. Van Goldman, the Chicago association has scheduled the program ahead to and including a "Huebner Day" event in July, when Prof. S. S. Huebner will make his annual talk on the "C. L. U. Movement," and also will discuss "Current Economic Problems." Save for the Life Insurance Week breakfast May 11, at which W. M. Houze, general agent John Hancock Mutual Life, will be chairman, only members will be admitted. The rest of the program for the half year is:

Feb. 27, luncheon meeting, Grant L. Hill, director of agencies Northwestern Mutual Life, "The Average Agent's Problem Today"; March 11, sales clinic on "Sales Talks That Sell," sponsor Equitable of New York agencies; March 17, luncheon meeting, DeLoss Walker, associate editor of "Liberty," on "Let's Have Recovery Now"; March 25, sales clinic, "Profitable Prospecting," sponsor Acacia Mutual; April 16, annual all-day sales congress, L. S. Broadbuss, manager Acacia Mutual, general chairman; April 29, sales clinic, "How the Industrial Agent Writes Ordinary," sponsor Metropolitan; May 20, sales clinic, "Closing the Sale," sponsor Penn Mutual; June 3, sales clinic, "How to Use the Mail Effectively," sponsor Northwestern Mutual; June 16, annual meeting, G. F. Ream, assistant superintendent of agencies, Mutual Benefit, "Our Business Under Modern Highlights."

* * *

Toronto—Frank M. See, general agent New England Mutual of St. Louis, was at the sales congress and gave four talks, his subjects being "The Proven Path to Financial Independence," "Present Day Prospecting," "Sales Strategy," and "Ten Commandments for Closing a Sale." W. R. T. Howard of the Canada Life gave a talk on prospecting. The guest speakers at the luncheon were A. W. Roebuck, attorney general of Ontario, and H. D. McNairn, superintendent of insurance of the province. In three years Mr. Seay has increased his life insurance production 252 percent and annuities 700 percent.

* * *

Indianapolis—A series of life insurance service clinics is being sponsored at the Y. M. C. A. Friday nights. Speakers who have appeared in the series are J. L. Rainey, "Our Problem Today"; Milton Elrod, Jr., "Taxes—Federal, Income and Inheritance"; Wendell Barrett, "The Uses of Taxes in Selling Life Insurance"; E. M. Spence, "Prospecting"; D. W. Flickinger, "The Approach," and Perry Meek, "Settlement Options and Case Planning." The next two weeks Joel Traylor will talk on "Basic Principles of Psychology in Selling Life Insurance."

* * *

Appleton, Wis.—Ben Taylor, midwest supervisor of agencies Central Life of Iowa, spoke on "Present Day Life Insurance Trends." The old evangelistic type



A Charted Course

THE first lap of our voyage through the year of 1936 is behind us. The good old ship "Peoples Life" weighed anchor, maneuvered into position and sailed off last month on a carefully charted course. 'Tis a grand seaworthy vessel sailing under the direction of officers carefully picked and trained for their positions. They know their ultimate destination and have so charted their course.

Do you want the course of your life charted for success? Then become a voyager sailing under the direction of

PEOPLES LIFE INSURANCE CO.
"The Friendly Company"

FRANKFORT

INDIANA

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Reputation

Means a lot to us. We are proud to be known throughout the West as the "fair practice" company. It is our constant endeavor to strengthen this reputation by -

—Declining to talk with any life insurance agent about a connection except after reference to his company's Home Office or Manager.

—Never accepting applications which involve twisting.

—Refusing to lower our standards to get business when in competition.

—Aiding the Institution of Life Insurance by swelling our ranks with NEW and GOOD men from outside the business rather than direct our Recruiting effort toward the Agents and Managers of other life insurance companies.



**California
Western
States
Life
Insurance Company**

HOME OFFICE:
SACRAMENTOO. J. LACY
PRESIDENT

of salesman is rapidly falling into the background. A higher type of man is being inducted into life underwriting, he said, and is being thoroughly trained to service life insurance clients. Because it teaches the public to become retirement conscious, Mr. Taylor believes the social security act is as great a boost to life insurance as was the government war risk insurance.

Boston.—I. S. Kibrick, of Boston, president of the Top Club of the New York Life, spoke at the monthly luncheon on "Our Problems for 1936." He completed 20 years of service with his company. He produced in excess of \$1,000,000 last year.

Fort Dodge, Ia.—A sales conference was held with Vash Young, New York, as principal speaker. Other speakers were Martin Seltzer, Des Moines, president of the Iowa association and general agent Aetna Life, and John L. Leaver, vice-president and superintendent of agents Central Life of Iowa, who discussed "Business of Selling Life Insurance."

Salt Lake City.—"Preparation and planning mean more in selling life insurance than sales presentation," said F. Edward Walker, manager United Benefit Life and former Utah insurance commissioner. High-pressure selling has no rightful place in insurance soliciting, he declared.

Little Rock.—H. Arwood Henderson, field assistant for the Union Central Life in Little Rock, was the principal speaker. He gave a detailed explanation of a

series of charts that illustrate the advantages of life insurance from an investment and protection standpoint. The charts, prepared by the Hess Statistical Service operated by the Diamond Life Bulletins compare the results to be obtained from investment in life insurance over different periods, with actual averages of results in other forms of investment. Foster Vineyard, of the Aetna Life, made a report on the activity of which he is chairman. Paul Atkinson, president of the association, announced that because of the sales congress to be held in March, there would be no regular meeting of the group in that month. E. B. Schicker, chairman of the membership committee, indicated that the membership is expected to reach a new high mark within the next month.

Saginaw, Mich.—Clare N. Winston said that agents are not realizing their potentialities at this time for increased sales. There is a huge latent demand for life protection, he contended, which is not being met by present sales methods, chiefly because the underwriters do not adequately analyze prospects and consider insurance possibilities in places where they are not apparent on the surface.

Brownwood, Tex.—A. W. Hogue, Dallas, Texas manager Business Men's Life Assurance, spoke.

Waco, Tex.—J. L. Lawrence, San Antonio, associate Texas general agent Lincoln National Life, spoke on "Organizing for 1936."

Seattle, Wash.—A "leading producers" dinner will be given March 3 just after the all state sales congress of the Seattle Life Underwriters Association by the Seattle Life Managers Association. Elmo Griffin, Prudential manager, is chairman of the committee which is handling arrangements for the dinner.

Independence, Kan.—A life underwriters association has been organized in cooperation with the officers of the Kansas Association. J. D. Kramer, Northwestern Mutual is president, Carl R. Guilkey, Lincoln National, secretary-treas. and Roy H. Freels, vice-president.

Springfield, Ill.—A. E. Patterson of Chicago, first vice-president of the National association and general agent of the Penn Mutual Life, addressed the meeting this week.

Shreveport, La.—E. Throgmorton, vice-president and national committeeman, presided at the luncheon. The program was in charge of Burnhardt Fane. Addresses were made by three members. H. A. Kirsch talked on "Business Life Insurance"; Campbell Hutchinson on "Writing Larger Policies," and Guy H. Owen on "Time Control."

In March the association expects to have a sales congress of such a nature that not only all life men will be interested, but probably to a considerable extent the general public as well.

Charges Against Cochrane Dismissed; Case Is Closed

DENVER, Feb. 20.—Charges against Insurance Commissioner Cochrane on which a civil service hearing was scheduled for yesterday, were dismissed "with prejudice," the civil service commission announced. This means that the case cannot be reopened.

The commission made this disposition of the case when neither State Senator John Nolon, who brought the charges, nor his attorney, Theodore Chisholm, appeared at the hearing. Charges filed by Nolon last year and later withdrawn were dismissed "without prejudice," which left the road open for the present case.

Nolon said he had been ill and knew nothing about the case, that it was in the hands of his attorney.

Chisholm declared that his failure to appear was due to unfamiliarity with the case and that the commission had agreed by telephone, before the hearing, to allow a continuance or dismiss the charges "without prejudice," which would have left the matter open in the future. The commission denied this. Chisholm, they said, did not contact them until after the hearing.

AGENCY MANAGEMENT

Supervisors Meet at Chicago

Two Speakers Emphasize Need of Bridging Gap Between Training Period and Production

Emphasis was placed on the tying up of the training period and production of life agents by two speakers at the regular meeting of the Life Supervisors Association of Chicago.

J. H. Cloud, manager life department Joyce & Co., in particular stressed the proper methods of training for new men, declaring that poor production was generally the result of lack of proper education. He favored three distinct steps which he considered good methods to be used in teaching a new agent to do a thorough selling job. In the first place, after the training period, the supervisor should accompany the agent to assist him in the proper technique of approach and handling of the interview; subsequently, the supervisor should check calls as they are made with a view to pointing out such faults as the agent may have made and to learn his particular weaknesses, of which there are generally many; after the agent has secured an interview, the supervisor should accompany him, guide him as much as possible and, if necessary, close the business himself.

Should Not Get Dependent

Mr. Cloud stated that care should be taken not to let the agent become dependent upon the supervisor and for this reason the latter's efforts should be confined to helpful guidance rather than to dominating the scene. He said the real job for supervisors was to place thoroughly trained men in the field, well equipped for their work. He also declared his belief that every supervisor should himself be a good producer in order to create the necessary confidence in new men. It is human nature, he stated, for a new man to prefer to be instructed in selling by a man who is himself selling successfully every day.

Better Recruiting Necessary

Doing a better job of recruiting and constantly maintaining an interest in new men was advocated by George Huth, supervisor Penn Mutual Life, who declared that it is up to the supervisor to carry the major responsibility in directing the efforts of beginners. He decried the practice of sending poorly trained and improperly equipped agents into the field with the expectation that they will produce immediate results. He cited examples in which new men had been sent out to solicit after only an hour of instruction, pointing out that such men can neither hope for success nor elevate the profession of life insurance. He urged a better selection of high type men, stating that every new man should be closely examined with a view to determining his fitness with other men in the agency and said his own company insisted that every new agent, within six months, must become a member of the Life Underwriters Association.

Mr. Huth said that an important requirement for a man beginning training is that he should have a definite plan

of operation and to that end the supervisor should program each day's work for him. In addition, various types of agency clinics are essential factors in adding to his knowledge and probably the most important factor is in his keeping daily records.

Bureau School for Managers

John Marshall Holcombe, Jr., J. Harry Wood, L. W. S. Chapman and John H. Jamison will make up the staff of the first agency building school to be held this year by the Life Insurance Sales Research Bureau. The school will meet March 16-27 at the Cavalier, Virginia Beach, and will be the only one in the east in 1936.

Honor Weeks and Pfremmer

Charles R. Weeks, American Life of Detroit, who is going to the home office and Ralph Pfremmer, Aetna district agent who has resigned to locate in Manhattan, Kan., as general agent for the Guarantee Mutual Life, were guests of honor at the meeting of the Wichita Managers & General Agents Association and presented with gifts. The association has taken up the study of the book "Slants on Supervision" which will be extended over several meetings.

CHICAGO NEWS

J. F. KUTAK IS SPEAKER

In describing the principal talk given at the meeting last week of the Home Office Life Underwriters Association, the name of the speaker, J. F. Kutak, home office counsel of the Federal Life, Chicago, was incorrectly given as Hutak.

CURRENT QUOTATIONS GIVEN

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, submits the following market quotations of life company stocks:

	Par	Div.	Bid	Asked
Aetna Life	100	.60	38 1/2	39 1/2
Alliance Life	100	1	1	2
Bank. Nat. Life	100	1.00	19	21
Central Life, Ill.	100	...	2	...
Cent. States Life	5	...	2	...
Colonial Life	100	10.00	220	250
Columbus Nat. L.	100	4.00	90	100
Conn. Gen. Life	100	.80	44	45
Cont. Am. Life	100	1.20	30	35
Cont. Assurance	100	2.00	43	45
Farm. & T. Life	100	10.00	185	215
Fed. Life, Chgo.	100	...	5	10
Genl. Am. Life	100	...	45	...
Girard Life	100	.40	10 1/2	12
Great Nor. Life	100	...	7	...
Great South. Life	100	2.50	3 1/2	3 3/4
Life of Va.	20	3.00	90	105
Lincoln National	100	1.20	34 1/2	35 1/2
Missouri State	100	...	7	8
New World L.	100	.40
Northw. Natl.	5	...	14	16
North American	2	...	4 1/2	4 1/2
Ohio National	100	1.00	23	25
Ohio State Life	100	10.00	225	...
Old Line Life	100	.60	15	16
Pacific Mutual	100	...	14	15 1/2
Provident Life	100	.80	12	...
St. Louis M. Life	100	...	7	...
Sun Life	100	...	565	600
Travelers	100	16.00	630	640
Union Central	20	1.20	45	...
Wisconsin Natl.	100	.50	14 1/2	16

HEADS NEW CHICAGO BRANCH

The Phoenix Mutual Life will open a second Chicago branch office soon on the 13th floor of the Conway building in that city, with Oliver P. Kernodle as manager. The second branch has been made necessary by increasing business during the past year.

Mr. Kernodle has had his entire life insurance experience with the Phoenix Mutual, having sold in the field at Oklahoma City at one time, later being transferred to the St. Louis agency. He was also for a time supervisor of the branch office in Chicago, of which Robert A. Judd is manager. While supervisor of the Chicago branch, Mr. Kernodle devoted his efforts to recruiting, employing and training new men. Immediately prior to coming to Chicago as manager of the new branch, he was connected with the Lincoln agency of the Phoenix

February-1936

Dear Bill:

If you are looking for a good company offering a complete line of participating and non-participating policies—take my tip and investigate Central States Life.

Registered policies, Surgical Benefit, and Childrens Insurance are only a few of their attractive "extras."

You might write to J. DeWitt Mills for a copy of "Field Features," it gives their complete setup. As Ever, Jack

Desirable territory available in Mo., Ark., Okla., Texas, Nebr., Colo., Fla., Calif., and Utah.

CENTRAL STATES
LIFE INSURANCE COMPANY
St. Louis GEORGE GRAHAM, Pres.

Mutual Life at New York. Mr. Kermodle believes that the opportunities in life insurance are greater today than ever before and in his recruiting concentrates on getting high type agents.

LINES UP NEW AGENTS

Walter M. Seitz, Chicago, northern Illinois manager Kansas City Life, has been lining up some good agents outside of the city by advertising in the smaller city newspapers. Mr. Seitz finds he is getting higher calibre men by advertising in the local newspapers than through similar ads in the Chicago papers, although the latter have greater circulation.

BECKER'S UNIT A LEADER

The unit of the Samuel Lustgarten agency of the Equitable Life of New York in Chicago headed by Ned Becker, led all similar organizations in so-called new organization work last year, that is, with new men contracted the group led in volume and amount of premium.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

Bankers National Issues Two Low Cost Contracts

Two new policies, the "Estate Foundation Plan" and "Progressive Paid-up Benefit," were announced by the Bankers National Life at the agents convention. The first form gives ordinary life protection, with premium increasing yearly to the tenth year, and level thereafter.

It is issued ages 15-60 inclusive, in minimum amount \$2,500, on standard risks only. Double indemnity, waiver of premium and full disability may be issued with level premiums from issue. The policy is designed to give maximum permanent protection for the lowest immediate cost.

The progressive paid-up benefit plan gives whole life protection with premiums decreasing at the end of the tenth, 15th, and 20th years, level thereafter. It is issued ages 15-60 inclusive for minimum amount \$2,500 on standard basis, and also sub-standard where rating is less than table B, or less than \$5.01 flat extra premium per \$1,000. This contract is designed to provide fully paid insurance with reducing cost at advanced age.

Ohio National Life

The Ohio National Life will maintain the same dividend scale this year as last. The interest rate allowed on the proceeds left with policies has been reduced to 3% percent.

California-Western States

An unusual method was used by the California-Western States in its recent rate increase for non-participating policies. Practically all forms with 20 or more premiums are increased \$1.30 per \$1,000 at all ages. Select policies (ordinary life, 20 payment life and protector) are increased \$1. On modified life, premiums for the first five years are increased \$1 and for later years, \$2. Plans with premiums payable for less than 20 years are increased from \$1.60 to \$4.30, depending upon the plan. No change is made for: participating policies, uninsured investment bonds, single premium life and endowment, 5 and 10-year term, 1-year term, annuities, and family income benefits. No change has been made in the premiums charged for special benefits or for accident and health benefits. The additions to premiums indicated are to be made whether such benefits are included or not.

J. W. Beery is appointed district manager of Bankers Mutual Life of Freeport, Ill., with offices in Chemical building, St. Louis.

ACCIDENT-HEALTH

Bureau Dinner Again Slated

Personal Accident & Health Underwriters to Dine March 18 and Hold Business Sessions Next Day

NEW YORK, Feb. 19.—Further evidence that brighter days have arrived in the accident and health division of the general casualty business is seen in the determination of the Bureau of Personal Accident & Health Underwriters to revive the get-together dinner preceding the annual gathering March 19. The dinner feature was customary prior to 1931, when it was abandoned in deference to depression conditions.

The meeting this year will be held at the Waldorf Astoria. Business sessions will be held both morning and afternoon. The get-together dinner will be held the preceding evening.

The understanding is that one of the outstanding questions to be reviewed will be the proposed formation of a pooling arrangement for handling life indemnity risks. Work upon such a plan has been in progress by a special committee for several months. Some of the larger companies have indicated their intention of continuing to issue such contracts, thereby forcing the smaller institutions to devise a method of assuming the liability through associated effort.

At a preliminary meeting of the governing committee of the bureau general satisfaction was expressed with the experience during 1935, the premium income having increased and losses having declined. The outlook for business during 1936 was held to be unusually bright.

To Open Group Department

The Massachusetts Accident of Boston begins operations in the wholesale insurance field March 1. D. Kelso Mairs, who has been with the Boston Casualty has joined the Massachusetts Accident to work in the new department. It will be known as the wholesale insurance division since Massachusetts statutes prohibit use of the term "group" insurance.

C.L.U. NEWS

LOS ANGELES CHAPTER MEETS

At the Los Angeles C. L. U. luncheon-meeting B. L. Smith, vice-president of California Bank, discussed "Practical Problems of Estate and Insurance Taxation." Due to his wide and extensive experience in the handling of trust funds and estates in court and otherwise, his talk included the presentation of ideas with respect to taxation problems in their relation to life insurance.

LACKEY IS CHICAGO SPEAKER

George E. Lackey, general agent Massachusetts Mutual Life of Detroit, will speak before the Chicago C. L. U., March 2 on "A Kinship of Law and Life Insurance."

SEEFURTH CLEVELAND SPEAKER

The Cleveland C. L. U. will hold an all-day meeting March 6, with Nathaniel Seefurth of Chicago as the speaker on the subject "Taxation." An open forum will be held in the afternoon. Miss Ethel Wood, Equitable of Iowa, recently elected president, will preside. F. N. Winkler has been appointed chairman program committee, William Liscom, publicity, and Earle Brailey, secretary and treasurer, as head educational committee.

The greatest week in the history of the accident and health business—"A. & H. Week"—1936—April 20-25.

"Pilots to Protection" Complete 1935 with Handsome Gains



Paid for largest amount of business in the history of the Company.

Showed notable increase in insurance in force.

Advanced the total of insurance in force to a new all-time high.

Increased number of policyholders by more than 12,000.

Mortality experience was highly satisfactory.

Admitted assets increased to highest in Company's history.

EMRY C. GREEN
President

J. M. WADDELL
Agency Manager

PILOT LIFE INSURANCE COMPANY

Greensboro, North Carolina

Aggressively Developing State of Illinois Offering Unusual Agency Opportunities

Liberal First Year Commission and Non-forfeitable Renewal Commissions

Assistance in the Field Home Office Co-operation

GLOBE LIFE INSURANCE CO. OF ILLINOIS

WM. J. ALEXANDER, President

An Old Line Legal Reserve Company—Established 1895
40 Years of Continuous Faithful Service to Policyholders

Writing Complete Line of Modern Policies with All Standard Provisions
Ages (0-60)

Double Indemnity — Disability — Non-Medical
Modern Juvenile Contracts Full Benefits Age 5

WRITE US TODAY FOR PARTICULARS

431 South Dearborn Street

Chicago, Illinois

NEW JERSEY

NEW YORK

INDUSTRIAL-INTERMEDIATE

The Colonial Life Insurance Company OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

Ordinary — Group

"A Good Company To Represent — Represent a Good Company"

PENNSYLVANIA

CONNECTICUT

The Columbus Mutual

OFFERS

First—LOW COST INSURANCE TO SELL.

Second—LIBERAL COMMISSIONS FOR SELLING IT.
(An Unusual Combination)

Third—IDEAL WORKING CONDITIONS.

Vested Renewals—
Unrestricted Territory—
Automatic Promotion—
Equality of Opportunity—
The Right to Build Your Own Agency—
No one to interfere, dictate or coerce—
Every influence helpful, inspirational—
Reward determined not by chance, by guess,
or by favoritism, but by results—
The larger the production, the higher the rate
of compensation—

You do not have to fight for a better contract—
You rise to your rightful level without let or hindrance.

THE COLUMBUS MUTUAL LIFE

INSURANCE COMPANY

COLUMBUS, OHIO

AMERICAN CENTRAL LIFE INSURANCE COMPANY

ESTABLISHED 1899

INDIANAPOLIS, INDIANA

● All modern forms of Life Insurance and Annuity contracts are written, either on an annual or single premium basis. Annuities include Retirement Income, Elective (Deferred), Joint and Survivor, Refund, and Survivorship—one for any type of prospect, in short.

Review Tax Load Insurance Bears

(CONTINUED FROM PAGE 1)

partments, for firemen's relief and pension funds, etc.

These special taxes do not include taxes that insurance pays in common with other business, such as property taxes, federal income tax, in a few cases state income taxes, corporation fees, capital stock and capital stock registration taxes. Tax authorities, according to the chamber, recently estimated that insurance pays more than 14 percent of the total amount of business taxes collected by the state.

For the period 1922-34, inclusive, total special taxes paid by the insurance companies totaled \$1,056,581,365, while the cost of state insurance departments for the period was \$46,284,385. The balance was the amount used for general revenue purposes.

Such taxes paid by life companies amount to more than 30 percent of annual net income. The amount paid by fire companies would be sufficient to pay for insurance protection on several billion dollars of property and the amount paid by casualty companies would be sufficient to pay the workmen's compensation premium bill for all employers for about one month.

The bulletin points out that policyholders have no greater capacity to pay higher taxes than other citizens.

Below is given an analysis for each state of the special taxes collected in 1934 showing the total collected in each state and the ratio spent for service to policyholders through the insurance department:

States	Total (so far as reported)	Ratio spent for Service to Policyholders Percent
Alabama	695,311	2.71
Arizona	177,441	4.40
Arkansas	607,993	2.54
California	5,451,367	2.63
Colorado	719,350	4.63
Connecticut	2,494,329	4.78
Delaware	258,631	3.11
District of Columbia	462,490	4.43
Florida	840,257	3.69
Georgia	828,004	2.67
Idaho	277,289	3.65
Illinois	5,650,549	6.82
Indiana	1,847,156	3.28
Iowa	1,591,334	5.75
Kansas	916,324	4.01
Kentucky	1,218,471	4.12
Louisiana	797,188	3.14
Maine	497,535	2.53
Maryland	1,069,826	6.13
Massachusetts	4,029,572	5.76
Michigan	3,206,856	2.13
Minnesota	1,843,586	3.20
Mississippi	581,924	1.76
Missouri	2,498,056	5.78
Montana	263,979	4.10
Nebraska	633,375	7.10
Nevada	47,683	10.49
New Hampshire	438,126	3.72
New Jersey	4,279,525	15.77
New Mexico	140,838	3.66
New York	10,010,983	8.79
North Carolina	1,536,448	1.37
North Dakota	243,230	4.73
Ohio	5,828,108	1.47
Oklahoma	773,451	2.87
Oregon	654,793	6.02
Pennsylvania	6,073,139	4.49
Rhode Island	646,113	3.40
South Carolina	702,417	3.17
South Dakota	292,680	6.79
Tennessee	1,298,866	3.76
Texas	2,265,203	11.89
Utah	178,718	3.63
Vermont	334,837	3.33
Virginia	1,527,093	4.07
Washington	1,271,189	5.39
West Virginia	825,759	2.06
Wisconsin	2,241,256	3.04
Wyoming	139,521	7.08
Totals—1934	\$81,208,674	5.39
Totals—1933	81,375,674	5.05
Totals—1932	89,482,511	4.79
Totals—1931	95,484,540	4.61
Totals—1930	99,333,007	4.45
Totals—1929	99,991,472	4.25
Totals—1928	92,178,971	4.29
Totals—1927	84,563,975	4.16
Totals—1926	79,834,512	3.94
Totals—1925	72,839,721	3.65
Totals—1924	67,731,570	3.71
Totals—1923	59,741,829	3.87
Totals—1922	53,015,799	4.37

The annual meeting of agents of the Little Rock branch, New York Life, was in charge of H. H. Conley of Little Rock. Inspector of agencies. Approximately 44 agents from all parts of Arkansas attended. An original document, showing that the company began operation in Little Rock in January, 1850, was displayed.

Report Out on the Status of the Illinois Life Fund

(CONTINUED FROM PAGE 1)

\$68,460. The mortality last year was 67.12 percent on the Illinois Life fund as compared with 72.77 the year before. The net interest earnings were 3.18 percent.

The statement of the Central Life proper shows assets \$39,915,019 of which 16.9 percent is in farm loans, 9.1 city loans, 11.7 real estate, 19.2 policy loans, 24.5 bonds and improvement certificates, 13 percent government obligations and 2.3 cash. It carries \$807,787 dividend reserve. The surplus is \$3,175,937. Its mortality was 38.3 percent, net interest earnings 3.86. The company was able to secure only a comparatively small volume of desirable farm and city loans during the year. Its bond account has been substantially increased and the government obligations also. Policy loans decreased \$320,483. Its business in force is \$159,811,195 and new business last year was \$13,531,514. The assets increased \$1,298,106. The insurance in force of the Illinois Life fund is \$45,572,337. The total insurance in force of the combined companies is \$205,383,532. The combined assets are \$50,524,500.

Optimism Shown at Meeting of A. L. C. Financial Section

(CONTINUED FROM PAGE 2)

to corporate securities; changes in franchises, management, new companies, unfavorable plant conditions, etc. Data regarding municipal bond issues should include financial and tax paying conditions, default in principal and interest and other factors affecting the issues.

President Gerard S. Nollen of the convention and John Corley, head of the investment department of the Bankers Life, Des Moines, of which Mr. Nollen is president, voiced the only two dissenting opinions. They concluded such a service was not feasible. Mr. Corley said in the corporate field commercial services are adequate and in the municipal field the new service of Dun & Bradstreet covers the larger situations adequately. If there is any value in the idea, he said, it should come by zoning the country and assigning member companies locally to render reports, but he emphasized that great expense would be involved.

Explains Security Service Carried on by 12 Companies

Explanation of the informal security information exchange carried on for some time by 12 A. L. C. companies was given by Paul Fisher, treasurer Indianapolis Life. These companies report to each other monthly a list of their security purchases, showing par value, name and rating of bond, and also the amount of mortgages. They do not purchase securities jointly. In the discussion the point was raised there is no generally accepted yardstick for bond purchases, but many companies to a large extent depend on the advice of investment brokers. Some, however, have highly developed research departments.

Operation of Research Bureau Is Explained

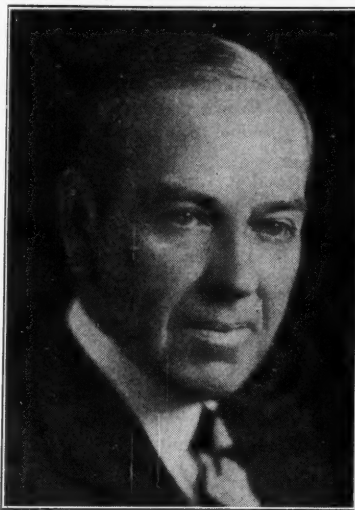
Methods of bond accounting were related by Don F. Roberts, treasurer Acacia Mutual. He discussed various problems, involving amortization, arising in case of default, reorganization, trades, etc., noting that it is sometimes difficult to decide whether to adjust to book or market value, and whether to adjust book value annually to amortized value, or to do this more frequently.

G. R. Mackay, assistant treasurer Sun Life of Canada, told something of the methods of a company that employs 25 college graduates in its security research department. The Sun has no prescribed

Were in Charge of Meeting



HARRY V. WADE, Chairman
United Mutual Life, Indianapolis



J. E. McPHERSON, Secretary
Business Men's Assurance

Harry V. Wade, assistant to the president of the United Mutual Life of Indianapolis, presided with skill and diplomacy as chairman of the Financial Section of the American Life Convention. He was buttressed by J. E. McPherson, treasurer of the Business Men's Assurance, who is secretary of the section.

nor cut-and-dried formula or procedure on investments, its system being flexible and the officials prepared to change the methods as often as warranted. The statistical research work, he said, is useless unless it is available at the time action is needed.

At this point in the morning program President Nollen was introduced and spoke briefly, stating that all company officials are keenly interested in investment problems today, considering them of vital importance and are eager to get together with the financial men and discuss questions. Mr. Nollen's train was four hours overdue because of storms and he missed most of the morning program. Colonel C. B. Robbins, manager and general counsel A. L. C., was introduced and said a few words.

DISCUSSES MUNICIPALS

A digest of practices in considering municipal bonds for investment purposes was presented by George A. Bangs, president United Mutual Life, an authority on this subject and whose company always has carried a substantial proportion of municipals. He said municipal bonds outstanding aggregate about \$18,500,000,000, life and other insurance companies, including fraternal, holding about \$2,000,000,000.

The legality of these bonds is of paramount importance, he emphasized. In this connection bond attorneys do not care to enlarge their responsibilities and in past opinions have dealt rather conventionally with the legal question. In the light of the movement now on toward an overall tax limit of possibly 2 percent, he said, the enforceability of municipal bonds might be seriously affected. Therefore, the legal opinion should carry some reference to this angle.

Factors Governing Buying of Municipal Securities

Enforceability is affected by constitutional and statutory procedure frequently not covered by the so-called legal opinions of bond attorneys. The national bankruptcy law while, he said, probably unconstitutional may exercise influence over municipal bonds. Local tax limitation and exemption laws, while generally not applicable to prior bonds or refundings thereof, probably will control subsequent issues. Impairment and occasionally practical denial of

mandamus and other remedies, as in New Jersey, North Carolina, Florida and elsewhere; split tax levy laws, tax moratoria, tax settlement laws and other similar legislation should be watched.

Another point is the probability of payment; whether there is in a community the will and ability to pay. Important items are population, assessed valuation, debt, overlapping debt, public utilities, property statement, income and disbursements, and tax exemption. Mr. Bangs also gave 15 classifications of municipals according to their characteristics.

Sessions Are Continued During Luncheon Period

The meeting continued through the luncheon hour, President Nollen, Past President Herbert K. Lindsley, who is president Farmers & Bankers Life, Wichita, Kan., Colonel Robbins, Chairman Harry V. Wade, who is assistant to the president, United Mutual Life, and J. E. McPherson, the secretary, who is treasurer Business Men's Assurance, sitting at the speakers' table.

Substantial improvement in the operation and operating results of railroads was reflected in the paper of Frank Travers, vice-president Lincoln National, which was read by Franklin Mead of that company, Mr. Travers being ill. The railroads failed to share in the early stages of business recovery, he said, but in the past four or five months showed sizable transportation gains. The managements have done a fine job of economizing in the depression times. Life companies own about one-quarter of the railroad debt, he said.

Gives Highlights on Buying Railway Bonds

It was stated no doubt there will be some new railroad equipment sold this year and carefully chosen equipment certificates will be good investments. There will be some refunding of higher coupon bonds, as well. It was considered junior mortgages of the weaker roads are not much better than equities. There is some opportunity to get blocks of outstanding bonds. The relatively declining importance of railways in this country is a factor in buying these issues.

A very interesting paper was read by Edward B. Raub, Jr., general counsel Lafayette Life, on "The Handling of Foreclosed Farms." He said the obvious answer is the tenant, a good one solving 90 percent of the problem. His com-



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MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Organized 1851

A friendly, strong young company

—a company that is planning permanently for the future as it takes each step carefully during these early years.

—managed by men who thoroughly know the life insurance business and realize the trust placed in them by policyholders and agents.

—a company that has a splendid reputation for prompt payment of claims and fair, intelligent treatment for all.

OLD REPUBLIC CREDIT LIFE INSURANCE COMPANY

221 N. LaSalle St.

Chicago

pass whenever it gets an application from a prospective tenant and has nothing to but being immediately available, pass his name in file and when a place is found follows him up to see if he is still interested. The company goes to considerable lengths to maintain good will and esprit de corps among its tenants.

Stimulates Farm Tenants by Annual Contest

A novel feature is an annual prize contest among tenants, the company offering \$50 for the best increase in corn yield and \$25 second prize, \$15 for the cleanest corn rows, \$15 for the best farm record-keeping, \$10 to the housewife for the cleanest house and yard, and \$25 for the best improvements made on the tenant's own initiative. Model farm record books are supplied and the farmers are encouraged to become good business men.

The Lafayette Life keeps a folder on each farm, showing photographs of all buildings, soil maps, unbiased appraisal and a ledger page on farm operations. It is making no special effort to dispose of farms, feeling that prices are on the upgrade. In fact, Mr. Raub said, the officials are beginning to feel that after all farms may not be so bad an investment. In the discussion opinion was widely expressed that there is no better field for life companies to loan money than on farm property today.

Two More Are Ousted

Two more employees of the Pennsylvania insurance department have been ousted. In recent weeks there has been almost a complete shake up. M. A. Sweeney and C. C. Papa, examiners, are the latest to be dismissed. Three new appointments are announced. F. H. Boyle and Frank McCloskey, both of Philadelphia, have been named as examiners and F. S. Geklinsky, Scranton, as investigator.

**INSURANCE
MEN WANTING
AN AGENCY
IN WHICH
THEY CAN
MAKE MONEY
NOW
SHOULD
WRITE
TO**

The Service Life
INSURANCE COMPANY
OMAHA, NEBRASKA
John A. Farber
PRESIDENT

Effect of TVA Ruling by U. S. Supreme Court Viewed

(CONTINUED FROM PAGE 2)

cost electrical power from government projects.

He cited the case of one Tennessee power company which since the TVA was started in 1933 had shown a decrease of about \$1,250,000 gross revenue due to rate reductions and other causes, but which through intensive cultivation had not only offset this by new business, but had shown an increase.

Another Great Project

Mr. Henry mentioned that there is a bill in Congress to create a Mississippi Valley Authority on so enormous a scale that the TVA would appear to be an infant.

His conclusion was that while the Tennessee utility bonds as a class will probably lose somewhat in market value, they will be paid.

Alex B. Cunningham, treasurer Montana Life, discussed "Northwest Utility Bonds," telling of the great dam projects in that section and the certainty that there will be a great amount of surplus government power which will have to be sold. He expressed the opinion this will affect public utility investments to some extent.

Federal Reserve Chairman Augurs Interest Rate Rise

(CONTINUED FROM PAGE 2)

mately \$160,000,000. From 1929 to 1932 the working capital of corporations of this country declined about \$12,000,000,000, representing a loss of that amount of free capital used for business, and because of which fact corporations did not have to borrow from banks.

Mr. Stevens expects corporations to begin borrowing in the near future. He gave a picture of government bond holdings, the issues totaling approximately \$32,800,000,000, of which \$11,400,000,000 is held by federal reserve member banks, and over \$2,000,000,000 by non-member banks. Life insurance companies hold about \$3,200,000,000 and various federal agencies a considerable amount.

Land Values in Increase

He presented a recent survey of farm land values in the federal reserve district comprising Iowa, Illinois, Indiana, Michigan and Wisconsin, the trend being a rise of about 10 percent in the period 1933-1935 for all classes, and on the best types of farms as high as 20 percent. In the corn belt states, Iowa, Illinois and Indiana, there was a 14 percent average rise and in Wisconsin and Michigan a 3 percent increase for all classes and 5 to 8 percent for high grade farms.

"This reflects a definite increase in demand for farms," Mr. Stevens said. The number of voluntary sales materially increased in the period 1933-1935, the volume being 14.8 farms per 1,000. Forced sales represented 53 farms per 1,000 in 1933, decreasing to 28 in 1935.

City Mortgage Field Better

The general situation in the city mortgage field is improved. Banks are thoroughly reorganized and in the best condition, he said. He was asked what would be the effect of the social security act on interest rates and bonds and replied it is quite possible if the act as now written remains in force it will operate to take the government bonds out of the general market. It was also pointed out that the charts covered a period when the government was not so decidedly in the field of private business and he was asked what effect might be expected in future with the widespread government activities in that field. Mr. Stevens said the present administration's theory is that low interest rates are conducive to business

INDUSTRIAL

End Mass Control Methods

London Life Eliminates Industrial Office Call Board; Stresses Individual Stimulation

The London Life of London, Ont., is abandoning the time-honored custom of the morning board call in its industrial offices. Under this old plan each agent calls out the amount of his production, industrial and ordinary, of the day before and results are chalked on a blackboard, usually there being a running fire of comment from the manager or assistant.

The London Life is taking this step because it believes the effect of daily subjection to fear and embarrassment when production of the previous day has been little or nothing is not conducive to good morale and individual development of men.

Develop Individuality

There will be greater stress laid on responsibility of manager or superintendent and his assistants to study individual qualities of agents and work more closely with them rather than apply mass methods. Each assistant is made responsible for six families, of men in his group, and is to analyze the problems of each producer, supply stimulation and definite plans needed, particularly for ordinary production.

Some men trained under other methods find it difficult to conform to the spirit of the new undertaking. The results generally have been gratifying and response of men in the ranks has confirmed belief of London Life executives that they have taken a step in the right direction.

Secretary Ek is Honored

A. W. Ek, manager of the ordinary department of the Imperial Life of Asheville, N. C., who was a cofounder of the company and its secretary, was 71 years of age Feb. 12. Therefore the week of Feb. 10 was set aside by the Imperial Life agents to honor the veteran. He started in the life business in the '80's. He is a past president of the North Carolina Insurers Conference and a member of the Industrial Insurers Conference.

Kentucky L. & C. Appointments

A. C. Campbell, field superintendent of the Kentucky Central Life & Accident, Paris, Ky., district, has been promoted to manager Paducah, Ky. C. F. Backus, former Paducah manager, is transferred to Dayton, O., as manager. He established the Dayton district many years ago. W. V. Bennett, formerly Dayton manager, assumes charge at Charleston this week, succeeding A. E. Tross, now manager Columbus, O. The former Columbus manager, W. E. Glore, will travel under supervision of the home office working as an extra manager in the various districts.

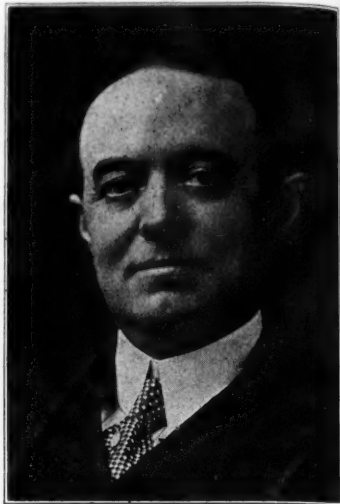
George Robertson on Insurance

MIAMI, Feb. 20.—George A. S. Robertson, chief deputy insurance commissioner for Missouri, is authority for the declaration that there is really only one business which laymen can be certain is actually back on its feet. Vacationing at Miami Beach, Mr. Robertson said:

"The insurance business is truly healthy. It suffered little from the depression, and was among the first to start back up the road to normalcy."

recovery, but the government is seeking to get out of private lending as fast as it can, in many capacities. He looked forward to the liquidating of many of the government loaning agencies.

Pays Tribute to Hunting Companion of Many Years



J. B. REYNOLDS

J. B. Reynolds, president of the Kansas City Life, is featured in the Feb. 8 "American Field," the sportsman's magazine. He is the author of an article, "A Tribute to an Unusual Dog," and a picture appears of Mr. Reynolds in hunting garb and with shot gun in hand alongside the late dog "Bill," which was the subject of the article. "Bill" had been Mr. Reynolds' hunting companion for nine years and died last December.

Oklahoma Supreme Court Rules Pension Law Is Void

OKLAHOMA CITY, Feb. 20.—The Oklahoma supreme court has voided the old age \$30 month pension law on account of the fact that Governor Marland called the election on it before the secretary of state concluded a hearing on sufficiency petitions. The way is now open for the governor to initiate his promised bill of \$15 a month even if the court held the present law invalid. Ira Finlay, head of the Veterans of Industry of America, says he will initiate another measure for \$50 a month. The procedure for initiated measures is provided by the constitution and other statutes.

NEW YORK NEWS

JOINS NEW YORK AGENCY

Harold Smyth, who has been assistant general agent to Arthur G. Derr, general agent in New Jersey for the Aetna Life, with headquarters in Newark, has joined the Luther & Kiefer agency in New York City for the same company.

* * *

HERBERT HOOVER TO SPEAK

Former President Herbert Hoover, a trustee of the New York Life, will be a speaker at the golden anniversary banquet of the New York City Life Underwriters' Association Mar. 12 at the Waldorf-Astoria, the theme of which will be "The Trusteeship of Life Insurance." Other featured speakers will be Dr. F. P. Keppel, president of the Carnegie Corporation and trustee of the Equitable Life of New York and President F. H. Ecker of the Metropolitan Life.

The E. Cecil Phillips agency, Chattanooga, Tenn., has been named representative in 11 counties for the Fidelity Mutual Life with headquarters in that city.

FIGURES FROM 1935 STATEMENTS

(CONTINUED FROM PAGE 4)

January, February and March than in any other three months of the year. Of the total death claims and endowments \$6,903,409, there was \$2,212,543 left with the company under some form of deferred settlement. Thus 32.05 percent was lodged with the company. In 1929 the amounts left under deferred settlements totaled 13 percent.

President Bullock states that other life companies are experiencing this same rapid growth of funds left under deferred payments. The State Mutual holds \$8,813,988 under deferred settlements.

LIBERTY NATIONAL LIFE

Liberty National Life, Birmingham, during 1935 enjoyed the best year in its history with assets, surplus, insurance in force and income at the peak reported Frank P. Samford, president, at the stockholders meeting. "During 1935," he said, "the company's income reached a new high of \$1,673,151, which was an increase of \$133,201 over 1934. After paying all claims, other policy obligations and all expenses, assets of the company were increased by \$428,320—bringing total assets to \$3,000,460.24." The company's assets have more than doubled in the past six years. Insurance in force represents an increase of approximately \$6,200,000, the total being \$49,359,275. This compares with \$30,000,000 in 1929. The surplus increased more than \$60,000 in 1935.

MONTANA LIFE

The Montana Life shows assets \$12,658,089, gain 3.5 percent, policyholders surplus \$2,151,655, which includes capital \$500,000 and voluntary reserve \$651,655. Its free surplus is \$1,000,000. Its gain was 5.2 percent. It showed a gain of 10 percent in new business and one-half of 1 percent in business in force. For every \$100 liability it has \$120.09 assets. It has \$6,750,987 in bonds, \$1,826,388 mortgages, \$3,410,415 policy loans, \$91,811 in cash. There is no bond listed in the assets that is in default.

UNION MUTUAL LIFE, ME.

Total assets of \$21,239,901 are reported by the Union Mutual Life, Portland, Me. Receipts were: Premiums \$2,369,390; interest and rents \$963,441; miscellaneous \$284,298. In the assets were: Government, state, etc. bonds \$8,554,537; railroad, utility and miscellaneous bonds \$3,638,428; railroad, bank, etc., stocks \$298,931; real estate \$815,508; real estate mortgages \$921,116; collateral loans \$12,717; policy loans \$4,638,622; premium notes \$69,394; cash \$1,768,262; interest and rents due \$189,086; net deferred and uncollected premiums \$334,300. Disbursements were \$4,128,163. Contingency reserve was \$200,000; surplus \$868,426; policy reserve \$19,005,390; claims in settlement \$100,327; dividends declared or apportioned \$153,261. Substantial gain was made in assets last year. Insurance in force is \$71,927,053; new insurance paid for \$6,111,976. The statement consolidates as far as practicable the figures of the Union Mutual and the Buffalo Mutual which recently was taken over.

BANKERS NATIONAL LIFE

The Bankers National Life continued its growth, assets totaling \$4,754,712, increase 17 percent. Insurance in force was \$75,540,975, increase of over \$3,000,000. Market value of securities and stocks was considerably in excess of the figure carried in the statement. Total liabilities including reserve for future contingencies aggregated \$4,100,627, or \$116 assets per \$100 liabilities. Capital and surplus increased \$110,800, surplus gaining over 35 percent. Total capital and surplus was \$654,086. Net rate of interest earned on investments was 4.52

percent. The schedule of dividends in effect for 1935 and rate of interest on funds left with the company was continued for January and February, and it is anticipated the board meeting this month will continue the scale throughout the year.

Income was \$2,107,708, a gain of 14 percent. Disbursements totaled \$1,479,712, or only 70 percent of income. The income included \$1,826,432 from policyholders on policies and contracts, \$43,986 policyholders dividends for accumulation at interest, and \$237,289 other income and profits from investments. Assets include: Real estate, market value \$139,580; home office \$120,000; farm first mortgages \$77,250; city first mortgages \$318,824; policy loans \$659,643; bonds \$2,498,770, including \$918,628 government, state, etc.; \$480,210 railroad, \$595,938 public utility and \$503,991 industrial and miscellaneous; stocks, book value \$165,677; cash \$159,859; interest and rents due \$44,154; net premiums due \$567,696; miscellaneous \$3,256.

Disbursements included: Death and disability claims \$468,019; other payments to policyholders \$282,259; medical and investigation \$22,322; commissions and agency expense \$464,620; taxes and license fees \$29,708; rent, salaries and operating expense \$151,780; investment expense and loss \$36,001; stockholders dividends \$25,000.

SERVICE LIFE

President John A. Farber of the Service Life of Omaha has issued its statement. It now has \$24,194,000 insurance in force distributed in eight states in which it operates. It wrote over \$3,500,000 new business, increase 39 percent. Its assets gained 6 percent. The net interest income yielded a return in excess of 4 percent. It disbursed over \$500,000 to policyholders. Its mortality experience was 48.2 percent. With the increase in surplus, it now has about \$500,000 policyholders' surplus. There was a marked decline in lapses and considerable business was restored. Agency development work has been carried on especially in South Dakota and Michigan, they being the first states which it entered.

The assets are \$5,605,078, of this \$1,676,090 is bonds. Its cash amounted to \$114,642. It has \$1,401,650 mortgage loans and bonds \$1,357,279 policy loans. It set aside \$257,483 for payment of special benefits. The unassigned surplus is \$175,847, capital \$300,075.

Blanks Committee to Meet

The committee on blanks of the National Association of Insurance Commissioners will meet at the Hotel Commodore, New York, April 27-29, W. A. Robinson, actuary Ohio department and chairman of the committee, announces.

Set Record in Earnings

Agents of the F. H. Haviland agency of the Connecticut General Life in Chicago—a large office with a full staff of salesmen—established an unusual earnings record in January, averaging \$385 commissions per man. The office had a very good production, standing in first place country-wide, the production being almost 100 percent greater than the best previous January in the agency's history. The production demonstrates that new organization is responsible for a large share of the business today. Seven agents earned \$7,624 commission in the month. The leader, Ken Nickell, 3½ years in the business earned \$2,496; second, Phil Schiesswohl, four months in business, \$1,357; third, Whitehead, a year in life insurance, \$1,236; fourth, Bob Beck, and fifth, Harvey Mason, both with three years experience, \$776 and \$603, respectively; sixth, Phil Aubin, five years, \$598, and seventh, Guy Burtis, six months, \$556.

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provident people

The House of Protection
with Nation-wide Representation

Robert J. Maclellan, President

PROVIDENT

Life and Accident Insurance Company

CHATTANOOGA

LIFE .: ACCIDENT .: HEALTH .: GROUP

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THE international character of the Sun Life provides unique facilities for the service of its clients in 39 different countries on 5 continents.

The Company maintains 54 branch offices in 40 states of the Union, giving a coast-to-coast service.

**SUN LIFE ASSURANCE
COMPANY OF CANADA**

HEAD OFFICE

MONTREAL

LEGAL RESERVE FRATERNALS

Decision Affects Tax Case

Arkansas Supreme Court States Fraternal Is Such in Name Only When Business Is Analyzed

LITTLE ROCK, Feb. 20.—An opinion of the Arkansas supreme court Monday with respect to a policyholder's claim against the Locomotive Engineers Mutual Life & Accident is being studied by attorneys who see in it portents of the court's action on future appeals from judgments for huge sums in back premium taxes against fraternalists.

Recovery of approximately \$1,600,000 is being sought in back taxes by Attorney-general Bailey in suits against 34 such associations and three of the cases have been tried in Pulaski chancery court with decrees in favor of the state for more than \$200,000 resulting. Notice of appeal has been given.

The present case had nothing to do directly with the contention that the fraternalists are actually insurance companies and are subject to the 2½ percent premium levy. But the wording of the opinion was regarded as significant by attorneys for the state.

The association contended that it is a fraternal benefit society. On this score, the court rules:

Excerpt from Decision

"It is true that appellant so designates itself in its by-laws, but the business it transacts is essentially different from that transacted by a fraternal benefit society. In societies of that character the insurance of members is paid by dues or assessments, while the contract here involved has all the earmarks of those issued by old line insurance companies.

"It is styled an ordinary life policy. The premiums and reserve are based on the American experience table and the premiums are fixed and payable as in ordinary life policy. In determining whether the insurer is a fraternal society or an insurance company the test is not the mere form of organization, but the business in which it is actually engaged.

"We see no circumstances tending to establish the contention of appellant as to the nature of the contract except that it calls itself a fraternal society and applies to the insured the designation of 'brother' when denying liability for a disability it had insured him against."

Reinsurance Contract Valid

Illinois Supreme Court Upholds Arrangement Ben Hur Life Made with Loyal American Life

The Illinois supreme court sustained the reinsurance contract between the Ben Hur Life of Crawfordsville, Ind., and the Loyal American Life. When the contract was negotiated some of the members of the Loyal American protested that certain parts were unlawful. The case was tried in the Sangamon county court and resulted in dismissal. The protestors then filed a petition in the supreme court asking that it consider the constitutionality of various provisions of the reinsurance contract. The high tribunal sustained the action of the trial court.

Reinsured by Ben Hur

The Loyal American was reinsured by the Ben Hur and a 100 percent lien was placed against the reserves of the Loyal American policies. Inasmuch as the Loyal American was a fraternal it was not necessary for it to be placed in receivership before reinsurance could be effected.

Spends Much Time in City

George Hartzenbuehler of Bloomington, Ill., Giving Much Time to Modern Woodmen in Chicago

George Hartzenbuehler of Bloomington, Ill., chairman of the board of directors of the Modern Woodmen of America, and state director, is a big factor in that organization. He started as district manager years ago, first being located at Jacksonville, Ill. Later he became state director and then chairman of the board. He wields a great influence and is well known throughout the state. He spends considerable of his time at the Modern Woodmen's Chicago office in the Woodmere hotel, owing to the company's increasing activities in that city. It now has an agency organization in charge of George Moore, and Harry Hall is looking after some of its investments in Chicago. The Modern Woodmen is strong in the Chicago district. Mr. Hartzenbuehler is a hard worker. He arises at 5 o'clock in the morning, works energetically all day and often in the evening. He is now a candidate for

lieutenant governor in the forthcoming Republican primaries.

Lutheran Brotherhood's New Scale of Rates Announced

New rates for whole life five, ten, 15, 25 and 30 year payment policies and for special retirement contracts for similar periods are announced by the Lutheran Brotherhood. The scale is for issues from birth to age 60. Illustrative rates for these contracts at quinquennial ages are:

Age	Whole Life				
	5	10	15	25	30
0.....	\$68.39	\$39.65	\$30.01	\$22.40	\$20.55
5.....	67.63	39.03	29.55	22.08	20.26
10.....	69.49	40.00	30.23	22.52	20.65
15.....	74.15	42.72	32.31	24.11	22.12
20.....	79.66	45.96	34.80	26.02	23.90
25.....	86.19	49.82	37.78	28.35	26.10
30.....	93.91	54.42	41.37	31.22	28.87
35.....	103.07	59.97	45.76	34.87	32.42
40.....	113.99	66.72	51.26	39.37	37.11
45.....	127.07	75.14	58.32	45.98	43.42
50.....	142.97	85.91	67.66	54.59	52.04
55.....	162.27	99.82	80.19	66.56	63.82
60.....	186.04	118.22	97.30	82.88	80.10

Special Retirement Contracts

Age	Term of Policy				
	5	10	15	25	30
0.....	200.30	100.25	66.41	39.91	33.37
5.....	198.39	98.05	64.82	38.79	32.37
10.....	196.85	97.17	64.16	38.30	31.93
15.....	197.51	97.73	64.69	38.81	32.46
20.....	198.33	98.43	65.36	39.49	33.18
25.....	199.39	99.35	66.25	40.44	34.25
30.....	200.76	100.56	67.45	41.83	35.71
35.....	202.59	102.22	69.16	43.66	37.60
40.....	205.13	104.63	71.76	46.00	41.77
45.....	208.81	108.35	75.87	50.05	47.07
50.....	214.56	113.87	82.17	56.45	54.78
55.....	224.00	122.87	91.87	65.71	65.71
60.....	237.11	137.11	106.43	85.84	81.24

***Retirement Age 60.

***Retirement Age 65.

Oklahoma Fraternal Board Is Discharged by Governor

OKLAHOMA CITY, Feb. 20.—By executive order filed with the secretary of state Governor Marland discharged the entire Oklahoma fraternal insurance board, effective immediately, and took under consideration appointment of a group of successors. Three members were discharged because of information received by the governor that they were members of fraternal societies being sued by the state under the supreme court's decision they were transacting business on other lines than those strictly of fraternalists. The fourth member was discharged, the governor said, because he was operating a business which engaged in other lines besides those of a strictly fraternal society.

The board consisted of W. R. Welch, Guthrie; O. H. Searcy, Tulsa; J. J. Gasser, Alva, and Florine Harris, Muskogee. Commissioner Read has constitutional right to act as secretary of the fraternal board and will not be affected by the executive order.

Gains in 1935 Reported by the Lutheran Brotherhood

An increase in business in force, surplus and earnings is reported by the Lutheran Brotherhood of Minneapolis in its annual statement. The 1935 total premium income was \$1,312,102, increase \$124,095 or 10.44 percent. The increase of interest received on invested assets was \$35,201. Total income of the company was \$1,747,807, increase \$196,829 or 12.69 percent. The mortality experience was 35.89 percent and total paid on death claims was \$182,964, as compared with \$161,431 in 1934. In the juvenile department, incurred death claims were \$7,625. The ratio of assets to liabilities now stand at 109.29 percent.

Regional conventions throughout the country have been substituted for the annual agency conventions by the board of directors at a meeting held in Chicago. It was felt that greater benefit could be derived from holding smaller

Striking Gains Are Shown in Canada in 1935 Report

The amount of new business paid for in Canada during 1935 will be about \$600,000,000. The business in force will be over \$6,000,000,000, and 3,500,000 Canadians have over 7,000,000 policies.

One of the most striking signs of improvement during 1935 was the decline in policy loans. In 1931, Canadian policyholders borrowed on their insurance savings \$52,000,000, and in 1934 such borrowings declined to \$39,000,000. The exact figures for 1935 are not yet available, but there will be a substantial reduction.

Repayment of loans have shown a steady advance. In 1931, repayments were \$33,700,000, while in 1934 repayments were \$44,800,000. The year 1935 it is expected will show the same steady advance.

Philadelphia Mayor Revives His Former Tax Proposal

PHILADELPHIA, Feb. 20.—Balked by the courts in his efforts to issue \$3,000,000 worth of city bonds for his proposed construction program, Mayor Wilson has revived the 4-mill personal property tax on mutual life companies and mutual savings banks.

A special meeting of city council's finance committee to consider the proposed tax was held yesterday on the call of the mayor and a special meeting of council will be held later this week. It is said that Mayor Wilson himself has drawn up the bill to tax the companies.

The proposed tax is not new to Philadelphians. It has been offered in council before. A few years ago, when strong efforts were being made to pass it, M. A. Linton, president of the Provident Mutual Life, informed council that his company would move from Philadelphia if the tax were passed.

Philadelphia's mutual life companies—the Provident, Penn Mutual and the Fidelity Mutual—joined with Mr. Linton in opposing the measure before, are just as united in opposing the bill now. It is certain that they will make a strong fight when, and if, the bill comes before city council for passage.

Radio Program Popular

A survey conducted by the Occidental Life of California on its radio broadcast "Winning the West," showed it was so popular that the time will be changed to Wednesday evening over the NBC hookup at 7:30 p. m. The change will greatly increase the radio audience.

meetings, especially for those who would not qualify for the general convention. The dates will be announced later.

January business was \$721,716, an increase of 27 percent over January, 1935. Of this amount, 103 policies for \$28,840 were placed in the juvenile department.

Name Three Representatives

The Brotherhood of Railway Trainmen insurance department, recently incorporated and licensed by the Ohio insurance division, has named A. F. Whitney, S. R. Harvey and G. W. Anderson, all of Cleveland, as representatives.

Wrong Society Mentioned

A news item relating to 1935 progress made by the Aid Association for Lutherans of Appleton, Wis., carried a heading erroneously referring to the Lutheran Mutual Aid, of Waverly, Ia.

AID ASSOCIATION FOR LUTHERANS

APPLETON, WISCONSIN

The largest legal reserve fraternal life insurance society for Lutherans in the United States and Canada, and operating strictly within the various Synods of the Synodical Conference.

Insurance in force.....\$160,262,690
Assets, January 1, 1936.....Over 18,750,000

BENEFITS PAID SINCE ORGANIZATION IN 1902

Death Benefit.....\$ 4,611,738.65
Sick Benefit.....1,367,013.56
Total Permanent Disability Benefit.....58,625.00
Old Age Benefit.....47,826.47
Cash Surrender.....3,512,240.85
Surplus.....5,375,266.02
Total.....\$14,972,710.55



Our Own Home Office Building

Thirty-Three Years of Real Fraternal Service

Alex. O. Benz, President
Wm. F. Kelm, Vice-President

Wm. H. Zuehlke, Treasurer
Albert Voecks, Secretary

TAKE BOTH Life men who write automobile or fire insurance, as well as life, should read

The National Underwriter (Fire, Automobile and Casualty section, \$4 a year), as well as the Life Insurance Edition. Both on one subscription, \$5.50 a year. SEND ORDER NOW TO A-1946 INSURANCE EXCHANGE, CHICAGO.

SALES IDEAS AND SUGGESTIONS

Analysis of the Average Man's Needs Made by Voorhees

A particularly fine contribution to agents in these times was made at the state sales congress in Cincinnati by H. Voorhees, counsel of the Connecticut General Life.

Mr. Voorhees laid down two fundamentals: "Collective human happiness is the all-inclusive goal toward which the organized society strives; and, the sense of such happiness is a reasonable sense of security against two outstanding possibilities," which are that he may live too long or die too soon. "Except for the necessity of employment if society could offer to its collective people security as defined above, much of its present troubles would be solved," he said. He gave a brief historical sketch of the development of society, showing an ever increasing necessity for possession of property to realize a minimum sense of security. With coming of the machine age, he said, the tempo of change was greatly speeded up, with the result that the minimum sense of security absolutely essential for collective social happiness demands a multiplicity of things which have come to be called property.

Another Factor Noted Which Affects Situation

But there has crept in another factor: the individual also must feel a minimum certainty that this property will survive the various forces which might destroy it. The two premises in modern society are: realizing minimum sense of security; possession of, or reasonable chance to possess, the minimum of property; and, the reasonable certainty that that property will last to accomplish its object.

He then showed that there is only one property offered to society today which meets these requirements—life insurance.

Mr. Voorhees in view of these conclusions counseled use of the soundest possible selling methods directly opposed to "policy peddling."

Gives His Views as to Sound Life Insurance Selling

"Sound life insurance selling today," he said, "is a constant, relentless search for definite, specific and individual needs and hopes of the prospect followed by a demonstration that life insurance is the best practical solution of those problems and the best possible answer to the attainment of those hopes."

"You will recognize that this is an attempted definition of what is sometimes called programming or estate analysis. In contrast to the hit-or-miss selling methods of the past this plan of selling involves a very definite procedure—a basic fundamental principle upon which the selection, training, and sales technique should be based."

Outlines Sales Method That Should Be Used Now

"In application the selling plan is substantially as follows: There must first be a fact-finding interview, for without facts or information the agent and the prospect must work very much in the dark. Having obtained the facts, the next step is to analyze those facts to determine the definite, specific and individual needs and hopes of the prospect, including, of course, his minimum requirements for life insurance and his present ability to pay."

"Once these facts are obtained a plan can be laid before the prospect which

will guide him throughout all the subsequent years in his acquisition of a planned estate.

"More definitely, the alert agent proceeds as follows, once the factual information concerning his prospect has been obtained: He first computes the total obligations of his prospect were he to die today.

Total Obligations Are Computed as First Step

"These should include the cost of last illness, burial expenses, death duties, unpaid income tax instalments, current obligations, and the more permanent obligations, such as notes at the bank or mortgages on property owned. Sufficient life insurance to cover the total of these obligations should be paid in cash. This is commonly referred to as the clean-up fund."

"Having buried himself and paid his debts, the next step in this prospect's planned estate is a minimum monthly income until the youngest child is self-supporting and his life insurance should be arranged under a settlement option so that this minimum monthly income will be paid and food, clothing and shelter secured for his minor dependents. The next step is to guarantee a minimum life income to the wife as long as she lives. This, of course, calls for a guaranteed income option. Having supplied these minimum requirements the average prospect is then ready to consider additional educational funds for his children and these call for payments on an instalment plan."

"If this prospect dies too soon, certainly there can be no question that life insurance arranged as outlined is the nearest thing to a guaranteed solution for his dependents. If, on the contrary, he lives too long, that is, after

his earning power has ceased, then the cash values in his insurance will supply him and his wife a retirement income for their old age. Thus, life insurance alone to countless millions in this country is the one form of property within their reach which at one and the same time protects against the two great possibilities—premature death, or too prolonged lifetime.

Search for Needs Leads to Special Fields

"If the agent pursues his constant relentless search for definite problems, he is led inevitably into the special functions of life insurance beyond the field of family protection. The two most important of such functions are, first, what is called business insurance, and, second, what has come to be called estate protection insurance. Here again life insurance alone offers a practical solution for very definite and substantial problems facing those who have large investments as partners or stockholders in a closed corporation and those who have amassed a substantial estate which may face terrific loss at the death of the owner."

Answer to Inflation Query, Dollar Devaluation, Given

Prospect—But what about inflation? Isn't there liable to be inflation, and won't that make any life insurance worth a lot less?

Agent—What do you mean by inflation, a change in the purchasing power of the dollar?

Prospect—Yes.

Agent—Well, haven't we always had quite a fluctuation in the purchasing power of the dollar? For instance, in the boom times of 1929 the dollar was worth only 50 cents. What is the dollar worth today?

Prospect—I don't exactly know.

Agent—Well, what did the President devalue the dollar down to?

Prospect—Fifty-nine cents.

Agent—All right. If we are willing to accept your 59-cent dollar at full pay-

Producer for 31 Years Still Uses Same Appeal

KANSAS CITY, MO., Feb. 20.—Charles P. Carroll, vice-president and a producer for the Kansas City Life, paid for \$1,008,029 of business in 1935, of which \$475,388 was in life insurance, and the remainder in single premium life and annuities. Carroll's premiums for the year totaled \$499,255. This business was done on 368 apps, more than one a day. The average premium per thousand on his life insurance was high, \$33.52.

Mr. Carroll still writes business on the appeal he used when he first started out for the Kansas City Life 31 years ago. Although most of it is written on business men—manufacturers, merchants, etc.—it is not business or corporation insurance but life insurance: sold because men know they are going to die sometime and want some money left widows to pay their debts, clear up a mortgage, provide a decent income.

Prejudice Overcome

The prejudice of the American public against life insurance was overcome by agents using such arguments, Mr. Carroll points out, so why shouldn't they still be good? His 1935 production would indicate they are.

Although he sells to business men primarily, he overlooks no one—the grocer boy, filling station attendant, etc. In 31 years he has averaged well over half a million of volume a year, and several times a million or more.

ment for the life insurance that we will sell you, don't you think that you should be willing to take a chance on that 59-cent dollar being worth a lot more than 59 cents at the time this life insurance money is going to be paid to you? Maybe it will be worth 100-cents on the dollar or very close to it.

Show Something Different

Ralph G. Engelsman, general agent Penn Mutual Life at New York City, says that a man may go along perfectly satisfied with what he has until someone suggests something different which appeals to him and then he becomes dissatisfied. He illustrates that by saying that he drove up to a gasoline filling station. His wife wanted to light a cigarette but Mr. Engelsman did not have a match. The filling station operator applied the light and then told Mr. Engelsman that he should have a cigar lighter on his automobile. He told him that it would be a great convenience to have that in driving and his car was incomplete without it.

Up to that time, said Mr. Engelsman, he was perfectly satisfied with his car. Immediately he was dissatisfied and saw the advantage of the cigar lighter. He was willing to buy it even if it cost \$10. He applies that to life insurance, saying that a man may be satisfied and he may feel that his insurance is ample until some agent points out to him what it would require to meet the minimum requirements of his family in case of death. Then he becomes dissatisfied and wants to get his insurance in a state where he will be satisfied. For instance, the agent may point out that the insurance that he is carrying would pay \$35 a month. Yet the man has estimated that it would require at least \$75 a month for the minimum requirements of his family. He had never had it brought home to him before.

The Illinois department has given its report of the examination of the **Inland Burial Association** of Shelbyville, Ill., as of Dec. 31. Its assets are \$2,251 with no liabilities. Its maximum benefit is \$500. C. F. Stairwalt is president. Its total income was \$1,139 and disbursements \$2,134.

C. H. Blair Discusses Fine Points of Pre-Approach Work

The importance of deft approach methods was emphasized by C. Hugh Blair, Pittsburgh manager of the Phoenix Mutual Life in his appearance before the sales clinic sponsored by the Pittsburgh Life Underwriters Association. About 300 attended.

"It behooves the insurance salesman to prepare his prospect carefully and thoroughly before he enters the latter's door," Mr. Blair asserted. "This can be done by bulletins, blotters, booklets, letters and other educational matter which create interest in the prospect's mind, so that when the salesman arrives with his oral propositions, he is not faced with the problem of thawing out a cold mind."

Building Fire Under Prospect

Mr. Blair deplored as "egotists of the first water" those agents who nurse the idea they are clever enough to put over their proposals with men who meet them unexpectedly at their desks.

"A fire should be built under the prospect in order to get him to act," the speaker said. "It saves time and money to do the warming up in advance of the salesman's call."

"The way to get into a prospect's office is to have him ready for you and interested in discussing an idea al-

ready in his mind. This means careful pre-planning and pre-approach material."

"It is well," Mr. Blair said, "to send out material to arrive at the prospect's office any day except Saturday or Monday, which are regarded as poor days for mail opening. The material should go regularly, with not more than 24 hours between the mailing of pieces, and the salesman's interview should be made within 24 hours of the receipt of the last piece of advance material. It is unfair and foolish to believe that a prospect will remember vividly what he has read for longer than 24 hours."

It is prudent to avoid mention of the pre-visit appeals and literature, according to Mr. Blair. On this point, he declared:

"The salesman should not call attention to the material he has mailed to his prospect when he makes his call. If the material has made a favorable impression, it has served its purpose. If it has made an unfavorable impression, to bring up the matter is to put the salesman on the defensive. That is a blunder."

Carroll C. Day, general agent in Oklahoma City for the Pacific Mutual, will direct the next clinic, March 17.

INSURANCE PLUS

Illinois Bankers Life policies offer all the advantages of standard legal reserve insurance PLUS special features which greatly increase their sales attractiveness.

SAVINGS ACCUMULATIONS

may be combined with any regular policy, increasing their investment advantages, but allowing withdrawals without surrender or impairment of insurance. The ideal plan for limited payment or endowment.

DOUBLE PROTECTION

in the Bankers Special Policy for six years and refund of all premiums paid for 20 years in a permanent life policy.

ADJUSTABLE WHOLE LIFE

policy pays face of policy PLUS all cash values during life expectancy with automatic extension for whole life — rate only \$14.45 per \$1,000 at age 35.

JUVENILE POLICIES

with or without payor benefits, on whole life or savings accumulation plans, from birth to age 14, are ideal for every need.

ACCIDENT AND HEALTH

insurance covers a wide range on plans suitable for men and women in all walks of life, at attractive rates.

SALES OPPORTUNITIES OPEN

in mid-western territory. You can make money under our liberal agency contracts.

Join this growing company —
Assets over \$31,000,000.00

ILLINOIS BANKERS LIFE ASSURANCE CO.

KARL B. KORRADY, Vice-President,
Director of Agencies

MONMOUTH, ILLINOIS

LIFE • ACCIDENT • HEALTH

Present Detroit Life Plan in Federal Court Hearing

(CONTINUED FROM PAGE 3)

Mr. Reynolds, who was president of the company, testified that both in 1934 and 1935, he had refused to take an oath as to the values set up in reports to the state insurance commissioner, and recommended to that official that the company be taken over by the state. Refusal of the department to act led to the federal court application for a receivership, which became permanent Oct. 31.

Policy lapses since have aggregated \$10,000,000, it was declared, and Mr. Reynolds as well as spokesmen for the new company urged haste in approving a rehabilitation. W. R. Baker of Kansas City, attorney for the new company, and Kansas insurance commissioner for six years, discussed in detail the management proposal. L. C. Cortright, an insurance actuary working with Receiver Reynolds, testified that the outstanding risk of the Detroit Life requires a mean reserve of \$8,000,000 and that this has been depleted to \$4,000,000.

NO COMMENT ON PLAN

LANSING, MICH., Feb. 20.—Commissioner Ketcham of the Michigan department declines to comment on action of Federal Judge Moinet in approving a plan for financial reorganization of the Detroit Life by the projected Detroit National Life. The commissioner said, however, that the Michigan department has no incorporation articles for the Detroit National Life on file, having turned back to the attorney general's office some purported articles which failed to fulfill statutory requirements for incorporation. It is presumed that the attorney general turned back the documents to the promoters of the proposed new company; new blanks for the purpose of preparing new articles have been furnished by the department. The incorporators listed in the defective articles have been requested to furnish the department certain necessary information.

Some Brevities on Sessions of Financial Men in Chicago

(CONTINUED FROM PAGE 2)

Frank Travers, vice-president Lincoln National Life, was to discuss "What We Are Doing with Our Railroad Bond Portfolio." Emory Green, president Pilot Life, who was to talk on "The Handling of Foreclosed City Property," also was unable to be present.

There is one woman who faithfully attends the Financial Section meetings, Miss Florence Gilman. She is investment secretary of the Old Line Life of Milwaukee, who has been in charge of the company's investments for ten years.

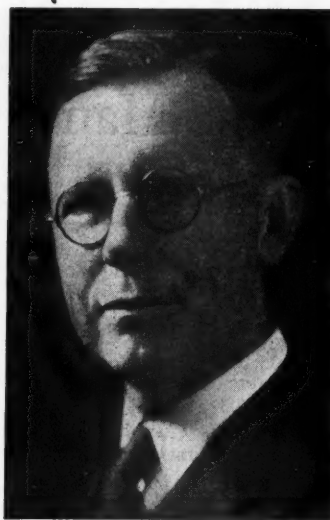
Registration of over 110 set a record this year, it being especially unusual because of sub-zero weather over a large area in the middle west and many storms which greatly delayed passenger trains.

Miss Mildred Hammond, assistant secretary, and Miss Lillian Wille, assistant treasurer of the A. L. C., efficiently conducted the registration.

When George A. Bangs, president United Mutual Life of Minneapolis, takes part in a program, he is thoroughly prepared with printed copies of his address which he passes out. Mr. Bangs is an authority on municipal securities.

Ralph H. Kastner, associate counsel A. L. C., was present and gave a legislative review at the session of the investment and investment law committee, presided over by Chairman O. J. Lacy, president California-Western States Life. Officials of the American Service Bureau attending were President Lee N. Parker, Vice-president Barrett M. Woodsmall, and Vice-president and Secretary M. E. Cederstrom.

New Director



JAMES L. THOMSON, Hartford, Conn.

James L. Thomson, chairman of the finance committee of the Hartford Fire and Hartford Accident, who becomes a director of the Connecticut Mutual Life, is a well known business man, having started in the department store of Forbes & Wallace at Springfield, Mass. He joined Redmond & Co., New York bankers, to learn the bond business, and then he returned to Hartford in 1914 to form the partnership of Thomson, Fenn & Co., he continuing in that capacity until he retired in 1928.

The Hartford Fire in 1934 made him chairman of its finance committee. He is a director of the Hartford Steam Boiler, New York Underwriters and the Citizens Insurance Company of New Jersey. Other Hartford insurance men on the Connecticut Mutual Life board are President Edward Milligan of the Phoenix Fire; President W. R. C. Corson, Hartford Steam Boiler, and President W. R. McCain of the Aetna Fire. Two Connecticut Mutual officials on the board are President James Lee Loomis and Vice-president P. M. Fraser.

State Mutual Promotions

The State Mutual Life has promoted Assistant Actuary R. C. Guest to associate actuary and C. E. Baldwin, assistant to the treasurer has been made assistant treasurer. Mr. Guest has been with the State Mutual since his graduation from the University of Toronto in 1920. He became assistant actuary in 1927. He is a fellow of the Actuarial Society and the American Institute of Actuaries and a member of the American Statistical Association. Mr. Baldwin joined the company in 1928 on his graduation from Harvard Graduate School of Business Administration and became assistant to the treasurer two years later.

Fowler Union Central Supervisor

T. E. Fowler, formerly with the Blackmer general agency of the Massachusetts Mutual in Boston, is now a supervisor in the J. M. Woodhouse general agency of the Union Central in the same city. Mr. Fowler began work at the Union Central office last week.

J. A. Amerman Advanced

Assistant Solicitor J. A. Amerman of the Prudential's law department has been made associate general solicitor. He will have supervision over the title bureau. Mr. Amerman joined the Prudential in 1909 as a clerk and was transferred to the law department, then being promoted to assistant manager in 1921, and the following year was made manager of the law department. In 1924 he was named title attorney and in 1930 assistant solicitor.

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